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LEGISLATIVE HISTORY

Public Law 480  
S. 2475

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# INDEX AND SUMMARY OF S. 2475

July 24, 1953 Sen. Schoeppel and others introduced S. 2475 which was referred to the Senate Agriculture and Forestry Committee.

Subsequently the Committee reported S. 2475 without amendment. S. Report No. 642. Print of bill and report.

July 28, 1953 Senate passed S. 2475 with amendment.

July 29, 1953 S. 2475 was referred to the House Agriculture Committee.

June 8, 1954 House committee agreed to report S. 2475.

June 9, 1954 House committee reported S. 2475 with amendment.  
H. Report No. 1776. Print of bill and report.

June 10, 1954 House Rules Committee reported resolution for consideration of S. 2475. H. Res. 581, H. Rept. 1803. Print of resolution and report.

# Digest of S. 2475.

June 15, 1954 House began debate on S. 2475.

June 16, 1954 House passed S. 2475 with amendments. Print of S. 2475 (dated June 17, 1954) with amendments of the House numbered.

June 22, 1954 Both Houses appointed conferees.

June 26, 1954      Conferees agreed to file a report.

June 29, 1954 House received conference report on S. 2475.  
H. Report No. 1947. Print of report.

June 30, 1954 Both Houses agreed to the conference report on S. 2475.

July 10, 1954      Approved: Public Law 480, 83rd Cong.  
Statement by the President; digest of Act.

Sept. 9, 1954 President issued an Executive Order providing for the administration of the Act.

Hearings: See: H. R. 6016  
S. 2249  
Long-range Program, Parts 22 and 23.

1950-1951

100-27, 1953  
and 100-27, 1953

*[Faint handwritten notes at the bottom of the page]*

[illegible]

2509 21 1890



~~Public Law 473 (H. J. Res. 458) LAND TRANSFER (approved July 2, 1954). Directs the Agriculture Department to deliver to the Board of Education of Irwin County, Ga., a quitclaim deed to U. S. interest in a tract of former rural-rehabilitation land.~~

~~Public Law 474 (H. R. 9315) IMPORTS FROM PHILIPPINES (approved July 5, 1954). Provides for extension through December 1955, on a reciprocal basis, of the period for free entry of Philippine articles into the U. S.~~

~~Public Law 475 (H. J. Res. 552) TEMPORARY APPROPRIATIONS (approved July 6, 1954). Makes 1955 appropriations available, for foreign aid and other programs, pending enactment of the regular appropriation acts for that year.~~

Public Law 480 (S. 2475) AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 (approved July 10, 1954).

Title 1 authorizes the President, until June 30, 1957, to carry out a program for the sale for foreign currencies of surplus agricultural commodities under agreements with friendly nations or organizations of friendly countries. In negotiating the agreements, the President is required to take precautions to assure no undue disruption of the world prices, to assure use of private trade channels to the maximum extent practicable, and to assure no resale or transshipment of the commodities to other countries without approval of the President. Friendly nations are to be afforded maximum opportunities to purchase surplus commodities from the United States, and the program is to be utilized as to develop and expand continuous market demand abroad for agricultural commodities.

Surplus agricultural commodities acquired by the Commodity Credit Corporation in its price support operations are to be made available for sale under the Act, and the funds and other assets of the CCC are to be used to finance the sale and exportation not only of surplus commodities owned by it or under price support loan, but also, if the Corporation cannot supply the desired commodity from its own stocks, to finance the sale of privately owned stocks. The CCC may finance the sale and exportation of privately owned stocks even though the Corporation is in a position to supply the commodity itself, if the private exporter acquires from the CCC the same commodity of comparable value and quantity. The President may issue letters of commitment against funds or guarantees of funds supplied by the CCC, which letters shall constitute obligations of the United States.

The foreign currencies which accrue under the title may be used for (1) development of new markets for United States agricultural commodities; (2) purchase of strategic and critical materials, to establish a stockpile additional to and supplemental to the quantities acquired under the Strategic and Critical Materials Stockpile Act; (3) procurement of military equipment, and defense materials, facilities and services; (4) financing the purchase of goods or services for other friendly countries; (5) promotion of international economic development and trade; (6) payment of United States obligations abroad; (7) loans to promote multilateral trade and economic development; (8) financing international educational exchange activities.

Any department or agency of the Government using any of the currencies for any purpose for which funds have been appropriated must reimburse the CCC in an amount equivalent to the dollar value of the currencies used. To the extent the Corporation is not thus reimbursed by other agencies, an appropriation is authorized to make payment to the CCC for the Corporation's investment in the commodities used under the Act, including processing, packaging, transportation and handling costs, and for costs incurred in financing the exportation of commodities. Transactions cannot be carried out which require an appropriation in excess of \$700,000,000.



Title II directs the CCC to make available to the President surplus agricultural commodities for transfer to friendly nations and friendly populations in order to meet famine or other relief requirements. In addition, the President is authorized to make transfers on a grant basis to assist friendly countries or voluntary foreign relief agencies. No programs are to be undertaken after June 30, 1957, and total expenditures, including the Corporation's investment in the commodities and costs of delivery f.o.b. vessel, are not to exceed \$300,000,000.

Title III amends sections 407 and 416 of the Agricultural Act of 1949 and contains a provision for barter or exchange of CCC-owned commodities.

The CCC is authorized to make farm commodities or products owned or controlled by it, available in labor distress areas and in connection with any major disaster (as determined by the President), on terms and conditions determined by the Secretary. The Corporation is to be reimbursed for any costs beyond the cost of the commodities and handling and transportation costs in making delivery at central locations in each state.

Section 416, as amended, authorizes the CCC to make commodities acquired through price support operations available to other Federal agencies to pay for commodities produced abroad and to barter such commodities as authorized by law. The CCC is also authorized to donate food commodities to the Bureau of Indian Affairs, school lunch programs, and to public and private agencies for the assistance of needy persons in the United States, and to public and private agencies for the assistance of needy persons outside the United States. The CCC is authorized to pay reprocessing, packaging, transporting, handling and other charges.

The Secretary is directed to dispose of agricultural commodities by barter or exchange for strategic materials, materials required in connection with foreign economic and military aid programs, and materials required for offshore construction programs, whenever such disposition will protect the funds and assets of the CCC. The Secretary is also directed to assist farmers' cooperatives in effecting exchange of agricultural commodities for strategic materials.

~~Public Law 482 (H. R. 8149) HEALTH FACILITIES (approved July 12, 1954). Amends the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes; and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies.~~

~~Public Law 492 (H. R. 9232) SURPLUS-PROPERTY DISPOSAL (approved July 14, 1954). Amends the Federal Property and Administrative Services Act of 1949 to extend until June 30, 1955, the period during which disposals of surplus property may be made by negotiation.~~

~~Public Law 497 (S. 2728) INDEBTEDNESS OF PERSONNEL (approved July 15, 1954). Authorizes the collection of indebtedness to the Government of military and civilian personnel because of erroneous payments.~~

~~Public Law 503 (S. J. Res. 165) RECLAMATION PROJECT (approved July 16, 1954). Provides for construction by the Interior Department of the Glendo unit, Wyo., Missouri River Basin project.~~

~~Public Law 507 (S. 1796) BOARD FOR FUNDAMENTAL EDUCATION (approved July 19, 1954). Incorporates this Board which provides services to youth in connection with agricultural development.~~







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 27, 1953  
For actions of July 24, 1953  
83rd-1st, No. 139

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**HIGHLIGHTS:** House passed drought-relief appropriation bill. Senate committees reported foreign-relief and customs-simplification bills. Senate rejected conference report on 1st independent offices appropriation bill. House sent FCA-reorganization bill to conference. Senate passed lease-purchase bill for buildings. Sens. Murray and Humphrey criticized USDA for not providing more storage facilities.

## HOUSE

- DROUGHT-RELIEF APPROPRIATIONS.** Passed without amendment H. J. Res. 305, which had been reported by the Appropriations Committee earlier in the day (H. Rept. 922) (pp. 9983-8). Rejected an amendment by Rep. Mahon to increase from \$20,000,000 to \$40,000,000 the amount for FHA loans under title 2 of the Bankhead-Jones Farm Tenant Act (pp. 9987-8).

The committee report states: "The committee recommends the full estimate of \$150,000,000, of which \$130,000,000 is added to the Disaster Loan Revolving Fund, and \$20,000,000 is authorized for regular production and subsistence loans under the Farmer's Home Administration. Of the funds proposed for the Disaster Loan Revolving Fund, \$30,000,000 is provided for economic disaster loans under Section 2 (b) of the Act, \$60,000,000 is allowed for special livestock loans under Section 2 (c)..., and \$40,000,000 is recommended to cover costs incurred in furnishing emergency feed and seed assistance to farmers under Section 2 (d)...

"...Removal of the minimum loan limitation of \$2,500 for loans under Section 2 (c)... is proposed. The committee feels that denial of loans of less than \$2,500 outside of disaster areas will work a severe hardship on small farmers...

"The committee feels strongly that the regular Farmers' Home Administration offices and personnel should be used... It questions the need for additional committees or other special groups..."



2. FCA REORGANIZATION. Reps. Hope, Andresen, Hill, Cooloy, and Poage were appointed conferees on H. R. 4353, to reorganize FCA, etc. (p. 9984).
3. BUILDINGS. Passed without amendment H. R. 6342, to authorize GSA to acquire real property and to provide for construction of public buildings thereon by executing purchase contracts (pp. 9989-10004).
4. DEFENSE APPROPRIATION BILL, 1954. House conferees were appointed on this bill, H. R. 5969 (p. 9979).
5. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H. R. 4551, to amend the Reclamation Project Act of 1939 removing authorization of projects by the Interior Department (H. Rept. 933)(p. 10038).
6. SMALL BUSINESS. Received the conference report on H. R. 5141, to create a Small Business Administration, to replace the RFC (pp. 10029-34, D773).  
adversely
7. REORGANIZATION. The Government Operations Committee reported/without amendment H. Res. 263, disapproving Reorganization Plan No. 9 of 1953, providing for a reorganized Council of Economic Advisors (p. 10038).
8. FOOD INSPECTION. The Interstate and Foreign Commerce Committee reported without amendment H. R. 6434, to simplify procedures for establishment of food standards by the Food and Drug Administration (H. Rept. 934)(p. 10038).
9. BUDGETING. The Government Operations Committee ordered reported (but did not actually report) H. R. 2, to provide that Federal expenditures shall not exceed revenues except in time of war or national emergency declared by Congress (p. D771).
10. SURPLUS PROPERTY. The Government Operations Committee ordered reported (but did not actually report) H. R. 6382, to extend until June 30, 1954, the period during which GSA may conduct negotiated sales of surplus property (p. D771).
11. FOREIGN TRADE. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) S. Con. Res. 40, declaring it the sense of Congress that export containers be marked with the words "United States of America" (p. D771).
12. ADJOURNED until Mon., July 27 (p. 10037). Legislative program as announced by Rep. Hallock: Mon., Consent and Private Calendars; Tues., immigration bill; then (if reported) foreign-relief and other bills. Rep. Hallock said, "I am confident we can dispose of the matters next week that are before us." (pp. 10028-9.)

SENATE

13. FOREIGN RELIEF. The Agriculture and Forestry Committee reported with amendments S. 2249, to authorize CCC to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the U. S. (S. Rept. 631)(p. 10046).  
The Committee reported without amendment H. 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the U. S. (S. Rept. 642)(p. 10048).
14. CUSTOMS SIMPLIFICATION BILL. The Finance Committee reported with amendments this bill, H. R. 5877 (S. Rept. 632)(p. 10046).



## AGRICULTURAL TRADE DEVELOPMENT ACT OF 1953

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JULY 24 (legislative day, JULY 6), 1953.—Ordered to be printed

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Mr. SCHOEPPPEL, from the Committee on Agriculture and Forestry, submitted the following

## REPORT

[To accompany S. 2475]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes, having considered same, report thereon with a recommendation that it do pass without amendment.

The committee has had before it during the session a number of bills authorizing the barter, or sale for foreign currencies, of surplus agricultural commodities. Farm organizations, various Senators, and others have evidenced considerable interest in these proposals; and section 550 was added to the Mutual Security Act of 1951 at this session to provide for such sale. While the Department of Agriculture, as set out in exhibit A of this report, believes that section 550 is sufficient at this time, your committee feels that the additional authority provided by the bill is necessary if we are to make an adequate attempt to discover whether sale for foreign currencies presents a profitable avenue for disposing of surplus agricultural commodities and for expanding world trade.

The bill would authorize the President (1) to sell surplus agricultural commodities for foreign currencies, and (2) to convert into dollars foreign currencies acquired by private exporters of such commodities. These operations would be carried out in accordance with the provisions of section 550 (b), (c), (d), and (e) of the Mutual Security Act of 1951, as added by Public Law 118, 83d Congress, 1st session (set out herein as exhibit B); and local currencies acquired under section 3 (a) and (b) would be transferred to the President for use as provided in section 550 (b) (c), (d), and (e).

The total value of Commodity Credit Corporation stocks and funds which might be made available for these operations would be \$500 million. The Corporation would be reimbursed from appropriations made for that purpose, or, in the case of local currencies used for the

purposes of paragraphs (1), (3), and (5) of section 550 (c) of the Mutual Security Act of 1951, from Mutual Security Agency funds. Nothing in the bill would in any way affect the provision of section 32 of Public Law 320, 74th Congress, as amended, requiring sums appropriated under it to be devoted principally to perishable commodities. The bill does not require utilization of the full amount made available, but your committee believes that such an amount should be available in order that a workable program may be developed.

The bill provides for reports to Congress every 6 months, but it is expected that reports will be made much more frequently.

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#### EXHIBIT A

DEPARTMENT OF AGRICULTURE,  
Washington, D. C., July 24, 1953.

HON. GEORGE D. AIKEN,  
*Chairman, Committee on Agriculture and Forestry,  
United States Senate.*

DEAR SENATOR AIKEN: This is in reply to your letter of June 12, 1953, requesting a report on S. 2127, a bill to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the mutual security program.

The proposed bill would authorize the Commodity Credit Corporation to make available surplus stocks of agricultural commodities or products acquired under the price-support program to the Director for Mutual Security for sale for local currencies to countries cooperating with the mutual security program. The bill would limit the investment of CCC in all commodities delivered, plus all costs incurred in making deliveries to United States ports, to an amount not in excess of \$1 billion. The proposal would authorize the Secretary of the Treasury to cancel notes in amounts equal to the CCC investment in the commodities delivered, plus all delivery costs.

S. 2127 would establish the following standards for use by the Director for Mutual Security in negotiating conditions for sales with receiving countries: (a) Offer such supplies only as net additions to consumption in purchasing countries and avoid displacement of regular marketings of the United States and other friendly countries; (b) sell such supplies at maximum market prices and in no event at prices lower than those offered by friendly countries for similar products; (c) use private trade channels to the fullest practicable extent; and (d) assure that purchasing countries use commodities for domestic consumption.

The proposed bill would provide that the Director for Mutual Security expend the foreign currencies received according to certain specified priority uses with emphasis on expanding trade and increasing production in trade goods among cooperating nations.

It appears to us that the authority contained in the proposed bill is similar in many respects to the authority contained in section 550 of Public Law 118, the Mutual Security Act of 1953. This section authorizes the President to sell surplus agricultural commodities to friendly foreign countries for local currencies. It provides that the foreign currencies secured shall be used for the purposes of the act. These specified purposes are very similar to those set forth in S. 2127. Also, section 550 contains standards to be used by the President in negotiating sales with foreign countries, including safeguards against displacement of normal marketings of the United States and other friendly countries, price standards providing that such commodities are to be sold at price levels consistent with maximum world market prices of like commodities of similar quality, use of private trade channels, and safeguards against resale or transshipment. These standards are almost identical with those which would be established under S. 2127.

There is a fundamental difference between the proposed bill and section 550 with respect to the financing provisions. Under section 550, funds used to purchase surplus agricultural commodities in the United States would be made available within the existing MSA appropriation. Under S. 2127, commodities transferred to the Director for Mutual Security by the CCC would be in addition to the existing MSA appropriation and CCC would be reimbursed through the

cancellation of CCC notes of indebtedness held by the Treasury Department. However, this is not a major factor in our consideration of the proposed bill.

It seems to us that section 550 gives us an opportunity, on a trial basis, to see whether we can effectively sell our agricultural surpluses for foreign currencies. This is basically the same approach taken in S. 2127. Lacking experience in this type of operations, it cannot yet be determined to what extent they can be effectively utilized in expanding agricultural exports. If we find this feasible, we will support broader programs of this kind. In this trial stage, it would not appear desirable to provide for a ceiling of \$1 billion.

Under the proposed bill, it would be possible to make agricultural surpluses acquired under price-support operations available for use in MSA countries in combating famine or other urgent relief requirements. However, similar authority is contained in the legislative proposals, S. 2249 and H. R. 6016, now being considered by the Congress at the request of the President. Under these bills, the CCC would be authorized to make agricultural commodities owned by it available to the President to assist in meeting famine or other urgent relief requirements in countries friendly to the United States. This authority is adequate to meet such emergency needs which might arise in countries participating in the MSA program. These bills would authorize the President to make such commodities available to foreign countries upon such terms and conditions as he deems appropriate. Such terms and conditions could include, where feasible, the use of local currencies to further the purposes of the MSA program.

In view of the fact that the administration already has authority under section 550 of Public Law 118 to sell agricultural surpluses for foreign currencies and in view of the bills now being considered by Congress to authorize the President to meet famine relief needs, we do not believe it necessary to enact S. 2127 at this time.

In view of the subsequent request, we are not awaiting advice from the Budget Bureau regarding the relationship of this proposed legislation to the program of the President.

Sincerely yours,

E. T. BENSON, *Secretary*.

# EXHIBIT B

## SECTION 550 (B), (C), (D), AND (E) OF THE MUTUAL SECURITY ACT OF 1951, AS ADDED BY PUBLIC LAW 118, 83D CONGRESS

"SEC. 550. \* \* \*

"(b) The President is authorized to enter into agreements with friendly countries for the sale and export of such surplus agricultural commodities under conditions negotiated by him with such countries and to accept in payment therefor local currency for the account of the United States. In negotiating agreements for the sale of such commodities, the President shall—

"(1) take special precaution to safeguard against the substitution or displacement of usual marketings of the United States or friendly countries, and to assure to the maximum extent practicable that sales prices of such commodities are consistent with maximum world market prices of like commodities of similar quality, and to obtain the recommendations of the Secretary of Agriculture in carrying out the provisions of this subsection;

"(2) use private trade channels to the maximum extent practicable;

"(3) give appropriate emphasis to underdeveloped and new market areas;

"(4) obtain assurance that the purchasing countries will not resell or transship to other countries or use for other than domestic consumption commodities purchased under this program without specific approval by the President.

"(c) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President shall use the proceeds of such sales for the purpose of this Act, giving particular regard to the following purposes—

"(1) for providing military assistance to countries or mutual defense organizations eligible to receive assistance under this Act;

"(2) for purchase of goods or services in friendly countries;

"(3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any country with which an agreement was negotiated, or in other friendly countries, with the authority to use currencies received in repayment for the purposes



stated in this section or for deposit to the general account of the Treasury of the United States;

“(4) for developing new markets on a mutually beneficial basis;

“(5) for grants-in-aid to increase production for domestic needs in friendly countries;

“(6) for purchasing materials for United States stockpiles.

“(d) In carrying out the provisions of this section, the President shall take special precaution to safeguard against the displacement of foreign exchange earnings which would otherwise accrue to the United States or any friendly nations.

“(e) The President is authorized to enter into such agreements with third countries receiving goods accruing from the proceeds of sales made pursuant to this section as he deems necessary to effectuate the purpose of this Act.”





Calendar No. 643

83<sup>rd</sup> CONGRESS  
1<sup>ST</sup> SESSION

**S. 2475**

[Report No. 642]

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IN THE SENATE OF THE UNITED STATES

JULY 24 (legislative day, JULY 6), 1953

Mr. SCHOEPEL (for himself, Mr. ANDERSON, Mr. CLEMENTS, Mr. EASTLAND, Mr. HOEY, Mr. JOHNSTON of South Carolina, Mr. MUNDT, Mr. AIKEN, Mr. THYE, Mr. WELKER, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JULY 24 (legislative day, JULY 6), 1953

Reported by Mr. SCHOEPEL, without amendment

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**A BILL**

To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Agricultural Trade  
4 Development Act of 1953".

5 SEC. 2. It is hereby declared to be the policy of the  
6 Congress to use agricultural commodities in excess of market  
7 demands to expand free world economies by promoting ad-  
8 ditional trade and strengthening the economies of cooper-  
9 ating nations.

10 SEC. 3. In furtherance of this policy the President is

1 authorized, in accordance with the provisions of section  
2 550 (b), (c), (d), and (e) of the Mutual Security Act  
3 of 1951, as added by Public Law 118, Eighty-third Con-  
4 gress, first session, to—

5 (a) make excess agricultural commodities hereto-  
6 fore or hereafter acquired by the Commodity Credit  
7 Corporation, available for sale, and to deliver such com-  
8 modities as may be sold at such times, in such quantities,  
9 and at such places within the United States, including  
10 free on board vessel American ports, as the President  
11 may direct, and

12 (b) direct the Commodity Credit Corporation, from  
13 any funds available to it and subject to terms and con-  
14 ditions prescribed by the President and within the limits  
15 of funds made available by the Congress for this pur-  
16 pose, to convert into dollars the foreign currencies re-  
17 ceived by exporters in payment for the sale of excess  
18 agricultural commodities which have been sold by ex-  
19 porters pursuant to this section:

20 *Provided*, That the total value of Commodity Credit Corpora-  
21 tion stocks made available under (a) above, together with  
22 the expenditure under (b) above, shall not exceed \$500,-  
23 000,000.

24 SEC. 4. Excess agricultural commodities shall be those  
25 determined by the Secretary of Agriculture to be in excess of

1 probable domestic and export sales plus a reserve for working  
2 stocks.

3 SEC. 5. The President shall administer the provisions of  
4 this title so as to export the maximum quantities of agricul-  
5 tural commodities with the funds made available to him for  
6 this purpose.

7 SEC. 6. For the purpose of making payment to the Com-  
8 modity Credit Corporation for funds or commodities made  
9 available by it to carry out the provisions of this Act, there  
10 are hereby authorized to be appropriated to the Commodity  
11 Credit Corporation, out of any moneys in the Treasury not  
12 otherwise appropriated, such sums as are equal to the Cor-  
13 poration's investment in such commodities, including  
14 handling costs, plus the costs incurred in making deliveries  
15 hereunder, and expenditures incurred by the Corporation  
16 pursuant to the authority of section 3 (b). Notwithstand-  
17 ing the foregoing, in the case of its investment in local cur-  
18 rency used under the provisions of this Act for the purposes  
19 of paragraphs (1), (3), and (5) of section 550 (c) of the  
20 Mutual Security Act of 1951, the Commodity Credit Corpo-  
21 ration shall be reimbursed from funds appropriated for carry-  
22 ing out activities of the Mutual Security Agency rather  
23 than from funds appropriated pursuant to the authoriza-  
24 tion contained in this section. Any funds or assets available  
25 to the Commodity Credit Corporation may be used, in ad-



1 vance of such appropriations or payments, for carrying out  
2 the purposes of this Act.

3 SEC. 7. No programs shall be undertaken under the  
4 authority of this Act after June 30, 1955.

5 SEC. 8. The President shall make a report to Congress  
6 with respect to the activities carried on under this Act at  
7 least once each six months and at such other times as may be  
8 appropriate.









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## A BILL

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To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

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By Mr. SCHOEPEL, Mr. ANDERSON, Mr. CLEMENTS, Mr. EASTLAND, Mr. HOEX, Mr. JOHNSTON of South Carolina, Mr. MUNDT, Mr. AIKEN, Mr. THYE, Mr. WELKER, and Mr. YOUNG

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JULY 24 (legislative day, JULY 6), 1953  
Read twice and referred to the Committee on  
Agriculture and Forestry

JULY 24 (legislative day, JULY 6), 1953  
Reported without amendment



(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. MALONE:

S. 2472. A bill for the relief of the city of Las Vegas, Nev.; to the Committee on Government Operations.

By Mr. KNOWLAND (for himself, Mr. TAFT, Mr. BUSH, Mr. POTTER, and Mr. FERGUSON):

S. 2473. A bill to provide for payments by the Federal Government to States or local taxing units adversely affected by Federal acquisition, ownership, or use of defense production facilities, to provide for the taxation of certain Federal properties, and for other purposes; to the Committee on Government Operations.

By Mr. LEHMAN (for himself and Mr. IVES):

S. 2474. A bill to authorize the coinage of 50-cent pieces to commemorate the tercentennial of the foundation of the city of New York; to the Committee on Banking and Currency.

By Mr. SCHOEPEL (for himself, Mr. ANDERSON, Mr. CLEMENTS, Mr. EASTLAND, Mr. HOEY, Mr. JOHNSTON of South Carolina, Mr. MUNDT, Mr. AIKEN, Mr. THYE, Mr. WELKER, and Mr. YOUNG):

S. 2475. A bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. SCHOEPEL when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 2476. A bill to establish a postal rate-making procedure in the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. DIRKSEN (for himself, Mr. HENDRICKSON, Mr. IVES, and Mr. SMITH of New Jersey):

S. 2477. A bill to amend the Trading With the Enemy Act, as amended, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

## DENTAL OUTPATIENT CARE AND DENTAL APPLIANCES FOR CERTAIN VETERANS

Mr. HUNT. Mr. President, I introduce for appropriate reference a bill designed to preserve the eligibility of certain veterans to dental outpatient care and dental appliances.

Unfortunately, an amendment to the appropriation bill for independent executive departments on the floor of the House, modified slightly in the Senate by Senate amendments which did not prevail in conference, deprives some 300,000 veterans from receiving dental care to which they are entitled under previous legislation. These 300,000 veterans have individually been advised that their dental work was the function and duty of the Veterans' Administration and when and if moneys were available the work would proceed.

To my way of thinking, we have reneged on our obligations to these veterans. My bill is for the purpose of carrying out the promises made to these veterans by previous authorizations on the part of the Congress.

I, too, believe in economy, but do not think we should accomplish economy by failing to live up to commitments made to and received in good faith by veterans.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2466) to preserve the eligibility of certain veterans to dental outpatient care and dental appliances, introduced by Mr. HUNT, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

## TRANSFER OF CERTAIN MILITARY EQUIPMENT TO JAPAN

Mr. SALTONSTALL. Mr. President, I introduce for appropriate reference a bill recommended by the Department of Defense to authorize the transfer to the Government of Japan of certain military equipment, and for other purposes.

I ask that the accompanying letter of transmittal explaining the purpose of the bill be printed in the RECORD immediately following the listing of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2470) to authorize the transfer to the Government of Japan of certain military equipment, and for other purposes, introduced by Mr. SALTONSTALL, by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter accompanying Senate bill 2470 is as follows:

OFFICE OF THE  
SECRETARY OF DEFENSE,  
Washington, July 16, 1953.

HON. LEVERETT SALTONSTALL,  
Chairman, Committee on Armed  
Services, United States Senate.

DEAR MR. CHAIRMAN: There is forwarded herewith a draft of legislation "to authorize the transfer to the Government of Japan certain military equipment, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1953, and the Bureau of the Budget has advised that it has no objection to the submission of the proposal for the consideration of the Congress. The Department of Defense recommends that it be enacted by the Congress.

### PURPOSE OF THE LEGISLATION

This proposal is designed to provide statutory authority for the transfer to the Government of Japan, without reimbursement, of United States military equipment at such times as may be determined by the President. This proposed legislation, in addition, is so phrased that the President may use the authority to transfer the equipment as a part of any overall financial settlement that may be proposed in the future between the country concerned and the United States.

The Security Treaty between the United States and Japan, under which United States forces are maintained in Japan, contemplates the increased assumption by Japan of responsibility for its own defense. Japanese security forces have been using equipment loaned by the United States for training purposes. The object of the proposed legislation is to permit the transfer of equipment to the Japanese Government, in accordance with mutually acceptable arrangements which may be worked out between the two Governments.

Under the words "procured prior to July 1, 1953," in the proposal, it is intended that any military equipment and supplies currently in the possession of the Department of Defense which were purchased with appropriated funds prior to July 1, 1953, could

be transferred, and any military equipment and supplies not yet delivered but which were contracted for prior to July 1, 1953, and for which funds were obligated prior to July 1, 1953, could also be transferred.

Because this proposal involves military programs and plans, it is requested that the Department of Defense be permitted to present the justification of this legislation by testimony to be given before the appropriate committees of the Congress in executive session.

### COST AND BUDGET DATA

This transfer will not include any grants of money but of assets already procured.

### DEPARTMENT OF DEFENSE ACTION AGENCY

The Department of the Army has been designated as the representative of the Department of Defense for this legislation.

Sincerely yours,

JOHN G. ADAMS,  
Acting General Counsel.

## CLARIFYING AMENDMENTS TO WALSH-HEALEY PUBLIC CONTRACTS ACT

Mr. KENNEDY. Mr. President, I introduce for appropriate reference a bill to amend the act of June 30, 1936—the Walsh-Healey Act. I ask unanimous consent that a statement by me relating to the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2471) to amend the act of June 30, 1936—the Walsh-Healey Act—introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement by Senator KENNEDY is as follows:

### STATEMENT BY SENATOR KENNEDY

I have today introduced a bill providing for several clarifying amendments to the Walsh-Healey Public Contracts Act.

The Senator from Maine [Mr. PAYNE] and the Senator from Rhode Island [Mr. GREEN] have also introduced legislation which I have supported to expedite proceedings under this act, and it is my understanding that consideration is to be given this legislation at an early date by the Senate Committee on Labor and Public Welfare. The purpose of my bill is to supplement their bills and to give to the committee an opportunity to consider the various changes needed to expedite Walsh-Healey proceedings.

I have previously pointed out to the Senate that a strong and effective Walsh-Healey Act was an important step in the achievement of a strong national economy without undesirable industry dislocation. The purpose of this amendment is to clarify the definition of certain key terms used in the act in order to bolster the present, and I believe proper, administrative interpretation of those terms. Secondly, this bill attempts to meet one of the most frequent complaints about the Walsh-Healey Act; namely, the lag between wage levels and administrative findings. Under this bill, the Secretary of Labor is called upon to make such redeterminations from time to time as are necessary to reflect with reasonable accuracy prevailing minimum wages, and the procedures for periodical reviews of existing wage determinations are spelled out.

Business and labor groups in New England—including the New England Council's annual tabulation of business leaders' and the report of the New England Governors' committee on the textile industry—as well



as other organizations and individuals in all parts of the country have recognized the need for improving the Walsh-Healey Act. This act is an important foundation of our labor standards legislation, necessary to protect fair-minded employers in all parts of the country from depressed wage competition.

#### USE OF AGRICULTURAL COMMODITIES TO IMPROVE THE FOREIGN RELATIONS OF THE UNITED STATES

Mr. SCHOEPPEL. Mr. President, on behalf of myself, the Senator from New Mexico [Mr. ANDERSON], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. HOEY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. AIKEN], the Senator from Minnesota [Mr. THYE], the Senator from Idaho [Mr. WELKER], and the Senator from North Dakota [Mr. YOUNG], I introduce for appropriate reference, a bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes, introduced by Mr. SCHOEPPEL (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Subsequently,

Mr. SCHOEPPEL, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, reported it favorably, without amendment, and submitted a report (No. 642) thereon.

#### AMENDMENT OF TRADING WITH THE ENEMY ACT, AS AMENDED

Mr. DIRKSEN. Mr. President, on behalf of myself, the junior Senator from New Jersey [Mr. HENDRICKSON], the Senator from New York [Mr. IYER], and the senior Senator from New Jersey [Mr. SMITH], I introduce for appropriate reference a bill to amend the Trading With the Enemy Act, as amended, and for other purposes.

The Committee on the Judiciary held rather extended hearings on the whole question of alien property, and as a result of those hearings there has been contrived what might be called a package bill which reflects the results of a great variety of bills introduced by Members of the Senate.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2477) to amend the Trading With the Enemy Act, as amended, and for other purposes, introduced by Mr. DIRKSEN (for himself and other

Senators), was received, read twice by its title and referred to the Committee on the Judiciary.

#### HOUSE BILL REFERRED

The bill (H. R. 4017) to provide for the conveyance of certain land and improvements to the England Special School District of the State of Arkansas, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

#### CONSIDERATION OF NOMINATION OF ROBERT D. COE, TO BE AMBASSADOR TO DENMARK

Mr. WILEY. Mr. President, the White House sent to the Senate today the nomination of Robert D. Coe, of Wyoming, to be Ambassador of the United States to Denmark. I give notice that the nomination will be considered by the Committee on Foreign Relations, after 6 days have expired, in accordance with the committee rule.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. JOHNSON, of Texas:

Article discussing the effects of the Texas drought, written by Charles Lucey, and published in the Fort Worth (Tex.) Press of July 20, 1953.

By Mr. CLEMENTS:

Article by Barry Bingham, published in the Louisville (Ky.) Courier-Journal of April 26, 1953, reporting on conditions in Vietnam.

Article by Barry Bingham published in the Louisville (Ky.) Courier-Journal of June 7, 1953, in the form of a report on Pakistan.

By Mr. WILEY:

Editorial from New York Times of July 24, 1953, and resolution of the Wisconsin Pipe Trade Association regarding the Bricker amendment.

Editorial entitled "Why This 'Bricker' Frenzy?" published in the Milwaukee Journal, and statement prepared by Senator WILEY entitled "The Fallacies of the Judiciary Committee's Majority Views on the Bricker Amendment."

By Mr. DIRKSEN:

Editorial entitled "Taking Them as They Are," published in the Christian Science Monitor on July 16, 1953, with reference to a report from a study group in France criticizing the French fiscal system and recommending severe curtailment of economic aid.

By Mr. POTTER:

Article entitled "New Orleans: Clean Port, Lower Costs," from the New Orleans Port Record.

An editorial headed "Merchant Shipping," published in the El Paso (Tex.) Times.

By Mr. KERR:

Editorial entitled "Social-Security Law Full of Holes," published in the North Star, of Oklahoma City, Okla.

By Mr. BUTLER of Maryland:

Article entitled "How To Grab 20 Acres for \$1.25," relating to Federal lands subject to mining laws, published in a recent edition of the Reader's Digest.

Editorial entitled "Downward Trend in a Mighty Fleet," published in the Baltimore Sun of July 24, 1953, discussing the American merchant marine.

Article entitled "Equal Rights Fight Is On," published in the New York Times of July 19, 1953, relative to the proposed equal rights amendment to the Constitution; and letter addressed to him by Hazel Palmer, under date of July 17, 1953, on the subject of equal rights for men and women, which will appear hereafter in the Appendix.

Article entitled "State Prepares To Lift Peace Cross Roads; AAA Demands Action"; and editorial entitled "Where Droughts Are Welcome," published in the Washington Evening Star of July 23, 1953.

By Mr. SPARKMAN:

Article entitled, "Can Boswell Win His Sixth Title," written by All Van Hoose and published in the magazine section of the Birmingham News of last Sunday.

Article entitled "Hi Neighbor," written by Steele McGrew, dealing with the TVA.

Letter written by Mr. C. D. Boartfield, of Huntsville, Ala., on the subject of the Tennessee Valley Authority.

By Mr. KEFAUVER:

Editorial entitled, "The Bricker Amendment Again," published in the New York Herald Tribune of July 7, 1953.

A statement prepared by him on the 20-percent excise tax on moving-picture admissions.

#### THE CHIEF GOES WEST—DEATH OF BEN DWIGHT

Mr. KERR. Mr. President, I wish to pay tribute to the memory of one of Oklahoma's finest sons. For many years Ben Dwight was one of my most trusted and devoted friends. He passed away a few nights ago. He will long be missed by thousands of Oklahomans who knew and cherished and trusted him.

I have expressed my sense of deep loss and regret in a brief statement which I ask to have printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

##### THE CHIEF GOES WEST

Down the long trail of his fathers, out of the midnight of death into the light of an eternal dawn, his gallant spirit moves aloft.

He had known for many moons that he must go, but he was unafraid. He spent his time making plans for others with an abiding faith that the great chief of all would care for him.

He trusted the white man's God, knowing he could do so without forsaking his own.

He never appeased an enemy, or failed a friend—yet he did not hate the one, nor impose upon the other.

Ben Dwight was a blessing to all—a burden to none. As he remembered and cherished the virtues of his friends, so shall his virtues never be forgotten by so many who knew and loved him.

He honored the highest precepts and traditions of his Indian forebears while adopting and enhancing his white brothers' finest way of life.

The Choctaws exalted him as one of their noblest chiefs—white men approved and welcomed his leadership with highest respect.

Now he is gone. No more will we see his face, or hear his voice around the council fires. His feet have sped across the wide river, over the great prairies. His soul has soared beyond the purple mountains.

A chief he lived, a chief he died. A chief he will ever be—to inspire in us a greater faith—a finer courage—a nobler aim.

Strive as we will, we cannot hope to do more.







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 29, 1953

For actions of July 28, 1953

83rd-1st, No. 142

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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**HIGHLIGHTS:** Senate passed sale of surplus commodities to foreign countries and drought-relief appropriation bills. House Rules Committee cleared famine relief, forest-loans, and Wheat Agreement bills. House committees reported Alaska forest survey, fur-farmer loans, and animal-disease bills. Mexican farm-labor bill sent to conference. House passed immigration bill. House agreed to Senate amendments to customs-simplification bill.

### SENATE

- 1. SURPLUS COMMODITIES.** Passed with amendment S. 2475, which authorizes the President (1) to sell surplus agricultural commodities for foreign currencies and (2) to convert into dollars foreign currencies acquired by private exporters of such commodities. The total value of CCC stocks and funds which might be made available for these operations would be \$500 million. The Corporation would be reimbursed from appropriations made for that purpose or, in the case of local currencies used for the purposes of the Mutual Security Act, from USA funds. (pp. 10424-37.)
- 2. APPROPRIATIONS.** Passed as reported H. J. Res. 305, the drought-relief appropriation measure (pp. 10423-4). As passed by the Senate, this proposal carries the same amounts as the House version, and there was only one technical amendment. Both Houses agreed to the conference reports on H. R. 5471, the D. C. appropriation bill; H. R. 4663, the first independent offices appropriation bill; and H. R. 5246, the Labor-HEW appropriation bill (pp. 10416-22, 10326-33). These bills will now be sent to the President.  
The Appropriations Committee reported with amendments H. R. 5805, the legislative-judiciary appropriation bill (S. Rept. 687)(p. 10405).
- 3. FARM LABOR.** Senate and House conferees were appointed on H. R. 3480, to continue



the Mexican farm labor program (pp. 10333-4, 10474).

4. IMMIGRATION. Began debate on S. 1917, to authorize the issuance of special visas to certain refugees, etc. (pp. 10443-73).
5. PUBLIC LANDS. Senate conferees were appointed on S. 1397, to clarify the status of certain mining claims, and S. 2220, to amend the mineral leasing laws with respect to their application in the case of pipelines passing through the public domain (p. 10426).
6. FARM LOANS. Received from this Department a proposed bill to further amend Sec. 13 of the Federal Farm Loan Act to authorize the Federal land banks to make a bulk purchase of certain remaining assets of the Federal Farm Mortgage Corporation; to Agriculture and Forestry Committee (p. 10405). Also received in the House; to Agriculture Committee (p. 10400).
7. FARM PRICES. Sen. Humphrey inserted local statements favoring more action to assure adequate farm prices (p. 10405).
8. TRANSPORTATION. Agreed, as reported, to S. Res. 140, to provide for a study of transportation facilities in the D. C. area, which had been reported with amendments earlier in the day (S. Rept. 693)(p. 10410).
9. EXPENDITURES; PERSONNEL. The Joint Committee on Reduction of Nonessential Federal Expenditures submitted a report on Federal employment, etc. (pp. 10411-4).
10. SUPPLEMENTAL APPROPRIATION BILL, 1954. In reporting this bill, H. R. 6200 (see Digest 141), the committee took the following actions:  
Added an item of \$3,000,000 to formulate and carry out corn acreage allotments for the 1954 crop, compared with a Budget estimate of \$7,500,000. The committee report states: "The Committee is of the opinion that if economy is practiced, the sum of \$3 million will be adequate. However, if it is found that this is not possible, the committee will consider a reasonable supplemental request at the next session of Congress."  
Inserted a provision that the funds appropriated by Public Law 371, 82nd Cong., for drought relief shall remain available until Dec. 31, 1954.  
Added the following general provision: "Funds made available in this or any other Act shall hereafter be available for examination of estimates in the field and the use of such funds for such purpose shall be subject only to regulations by the standing committees concerned."  
Added a general provision limiting the use of chauffeurs.
11. INTERIOR APPROPRIATION BILL. In reporting this bill, H. R. 4828 (see Digest 141), the House conferees made the following statement regarding Southwestern Power Administration: "None of the funds allowed are to be used for the purpose of implementing existing contracts with REA cooperatives which provide for the lease-purchase of transmission or generating facilities. The funds may be used only for the purchase of electric power and energy and the payment of wheeling service charges at rates and in amounts comparable to those paid in the Southwestern Power Administration area under existing contracts based only on use value received with no additional allowance for purchase or lease of facilities. Such arrangements may be made with REA cooperatives in the area but no funds for this purpose are to be available after February 28, 1954."

HOUSE

12. FARM PROGRAM. On July 27 the Agriculture Committee issued a statement reading in part as follows:



section 7 of the Legislative Branch Appropriation Act, 1943 (2 U. S. C., sec. 75a).

"(c) Any person appointed pursuant to this section shall be paid the compensation which he would receive if he were chosen by the House of Representatives to fill the office involved, unless such person is concurrently serving in any office or position the compensation for which is paid from the funds of the United States, in which case he shall receive no compensation for services rendered pursuant to his appointment under this section, and his compensation for performing the duties of such office other than the one to which he is appointed pursuant to this section shall be in full discharge for all services he performs for the United States while serving in such dual capacity."

The PRESIDING OFFICER. Is there objection to the request of the Senator from California that the unfinished business be temporarily laid aside, and that the Senate proceed to consider House bill 6571?

There being no objection, the bill (H. R. 6571) was considered, ordered to a third reading, read the third time, and passed.

#### ADDITIONAL APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE, 1954

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House Joint Resolution 305, Calendar No. 680, making additional appropriations for the Department of Agriculture for the fiscal year 1954, and for other purposes.

I have discussed this matter with the minority leader, the distinguished senior Senator from Texas [Mr. JOHNSON]. This joint resolution making additional appropriations for the Department of Agriculture was unanimously reported by the Appropriations Committee, and is for the purpose of taking care of the drought-relief situation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 305) making additional appropriations for the Department of Agriculture for the fiscal year 1954, and for other purposes, which had been reported from the Committee on Appropriations with an amendment.

Mr. KNOWLAND. Mr. President, at this point I should like to read a part of the committee report, Report No. 646:

The Committee on Appropriations, to whom was referred the joint resolution (H. J. Res. 305) making additional appropriations for the Department of Agriculture for the fiscal year 1954, and for other purposes, report the same to the Senate with an amendment, and recommend that the joint resolution as amended be agreed to.

The purpose of the resolution is to provide emergency assistance to farmers and stockmen, particularly those in counties and States in the Southwest which have been designated as disaster areas by the President. The accumulative effect of continued drought in this area during the past 4 years has created an unprecedented need for emergency credit and livestock feed.

In House Document No. 208, dated July 15, the President requested an additional \$150

million for the Disaster Loan Revolving Fund of the Department of Agriculture, based on the recently enacted legislation (Public Law 115, 83d Cong.) authorizing two new types of loans, economic disaster loans and special livestock loans, and providing for emergency assistance through the furnishing of feed and seed in the disaster area.

The committee recommends the full estimate of \$150 million of which \$130 million is added to the Disaster Loan Revolving Fund, and \$20 million is authorized for regular production and subsistence loans under the Farmers' Home Administration.

Mr. President, I ask unanimous consent that the entire report be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the report (No. 646) was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the joint resolution (H. J. Res. 305) making additional appropriations for the Department of Agriculture for the fiscal year 1954, and for other purposes, report the same to the Senate with an amendment, and recommend that the joint resolution as amended be agreed to.

The purpose of the resolution is to provide emergency assistance to farmers and stockmen, particularly those in counties and States in the Southwest which have been designated as disaster areas by the President. The accumulative effect of continued drought in this area during the past 4 years has created an unprecedented need for emergency credit and livestock feed.

In House Document No. 208, dated July 15, the President requested an additional \$150 million for the Disaster Loan Revolving Fund of the Department of Agriculture, based on the recently enacted legislation (Public Law 115, 83d Cong.) authorizing two new types of loans, economic disaster loans and special livestock loans, and providing for emergency assistance through the furnishing of feed and seed in the disaster area.

The committee recommends the full estimate of \$150 million of which \$130 million is added to the Disaster Loan Revolving Fund, and \$20 million is authorized for regular production and subsistence loans under the Farmers' Home Administration. Of the funds proposed for the Disaster Loan Revolving Fund, \$30 million is provided for economic disaster loans under section 2 (b) of the act, \$60 million is allowed for special livestock loans under section 2 (c) of the act, and \$40 million is recommended to cover costs incurred in furnishing emergency feed and seed assistance to farmers under section 2 (d) of the act.

The additional funds authorized for the regular production and subsistence loan program of the Farmers' Home Administration are provided to meet emergency needs of farmers and stockmen for this type of loan throughout the United States. While these funds are made available for use primarily in disaster areas, they can and should also be used in other States and areas to make loans to applicants requiring this kind of credit assistance where emergency needs develop.

The Department of Agriculture requested \$1 million for administrative expenses for the loan program. This amount was reduced to \$300,000 by the House but was not confined to the loan program. In order that there may be no doubt as to the use of the \$300,000, the committee recommends that the proviso in the resolution dealing with administrative expenses be amended to read as follows: "Provided further, That not more than \$300,000 of the funds provided by this paragraph may be used for administrative expenses for loans during the fiscal year 1954."

Public Law 115, on which this joint resolution is based, reads as follows:

(Public Law 115, 83d Cong.; ch. 192—1st sess.)

"H. R. 6054

"An act to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes

"Be it enacted, etc., That section 2 of the act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows:

"(A) After the second sentence of subsection (a) add the following new subsections:

#### "ECONOMIC DISASTER LOANS

"(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to make loans to established farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

#### "SPECIAL LIVESTOCK LOANS

"(c) For a period of 2 years from the effective date of this subsection loans for \$2,500 or more may be made to established producers and feeders of cattle, sheep, and goats (not including operators of commercial feed lots) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders, and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of 3 years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

#### "EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

"(d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time and under such terms and conditions as the



Secretary may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers and ranchmen, and for costs and administrative expenses necessary in performing such functions.

#### "AMENDMENTS TO EXISTING PROVISIONS"

"(B) The last sentence of subsection (a) is designated as subsection (e) and a comma and the word 'reimbursement' shall be inserted after the word 'loans' where it first appears in said subsection.

"(C) The letter '(a)' in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (f), and there shall be added at the end thereof the following new sentence: 'There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine.'

"SEC. 2. Loans under this act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 percent of the stock or other interest in the corporation or organization.

"Approved July 14, 1953."

Mr. KNOWLAND. Mr. President, I call attention to the fact that the only amendment added by the Senate Appropriations Committee appears on page 2, in line 12, where the language heretofore read:

*Provided further, That not more than \$300,000 of the funds provided by this paragraph may be used for administrative expenses.*

That was the language at that point, as the bill came to us from the House of Representatives.

The Senate Appropriations Committee has added the following amendment: "for loans during fiscal year 1954."

Mr. HUMPHREY. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. HUMPHREY. I do not wish to suggest the absence of a quorum, because I do not know whether there is any disagreement at all about this matter. The Senator from California did discuss it with the minority leader, the Senator from Texas [Mr. JOHNSON], did he?

Mr. KNOWLAND. I not only discussed it, but he felt that the necessity of taking care of the drought situation is so urgent that he joined me in hoping that prompt action on the joint resolution would be taken.

Mr. HUMPHREY. I simply wish to understand the situation in that respect.

The PRESIDING OFFICER. The amendment of the committee will be stated.

The amendment was, on page 2, in line 12, after the word "expenses," to insert "for loans during fiscal year 1954."

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

### SALARY INCREASE OF EMPLOYEES OF BOARD OF EDUCATION, DISTRICT OF COLUMBIA, AND STUDY OF PAY SCALES AND CLASSIFICATIONS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2118) to increase the salaries of the employees of the Board of Education of the District of Columbia, and to provide for a study of the pay scales and classifications of such employees, which was, on page 2, line 1, after the word "The," to insert: "Board of Commissioners of the District of Columbia, in cooperation with the."

Mr. CASE. Mr. President, I shall ask unanimous consent that the Senate concur in the amendment of the House of Representatives.

Mr. HUMPHREY. Mr. President, will the Senator please explain the amendment.

Mr. CASE. This bill is the so-called salary pay bill for school teachers in the District of Columbia. The bill as passed by the Senate requested the Board of Education to make a study and to report to Congress on the classifications—in other words, as to whether they were proper.

The House has added an amendment to insert the words "Board of Commissioners of the District of Columbia, in cooperation with the," so that the study will be made jointly by the Board of Education and the Board of Commissioners of the District of Columbia. That is the only change.

Mr. HUMPHREY. For purposes of the Record, let me inquire whether this matter has been brought to the attention of the Committee on the District of Columbia. I realize that the Senator from South Dakota is chairman of that committee.

Mr. CASE. I have talked about it with the members of the committee.

Mr. HUMPHREY. Has any disapproval been registered?

Mr. CASE. Oh, no. In fact, everyone thought it would be a good idea to have the Commissioners join with the Board of Education in making the study.

Mr. HUMPHREY. I merely wish to ascertain whether there was any disapproval, so as to be able to determine whether it would be desirable to have a quorum call in connection with the consideration of this measure.

Mr. CASE. I do not think so.

Mr. HUMPHREY. Then I see no need for a quorum call, inasmuch as the Senator from South Dakota has assured us that this matter is not controversial.

Mr. CASE. Mr. President, I ask unanimous consent that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. Is there objection? Without objection, the House amendment is concurred in.

construction at military and naval installations and for the Alaska communications system, and for other purposes.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, inviting the attention of the Senator from South Dakota [Mr. CASE], let me say that the unfinished business is Calendar No. 673, Senate bill 2491, to authorize certain construction at military and naval installations and for the Alaska communications system, and for other purposes. I am informed that the report on the bill has not yet arrived from the Government Printing Office. I should prefer not to take up this bill, or any other, for that matter, until the report is available, except under most extraordinary circumstances, and after consultation with the minority. I was going to suggest that we might temporarily lay it aside and proceed to the consideration of Calendar No. 643, Senate bill 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, previous notice having been given that its consideration would be sought today. Let us see how far along we can get with that bill before the report comes in on the military public works bill. We can later return to the consideration of S. 2491, which is so important to the military and on which a conference will probably have to be held.

Mr. CASE. Mr. President, with that understanding, speaking for the Armed Services Committee, I would have no objection, but in view of the fact that it will be necessary for the military construction bill to go to conference, I believe we should resume consideration of the bill as soon as the report is available.

Mr. KNOWLAND. I have asked representatives of the majority policy committee immediately to notify the acting majority leader when the report is available to the Senate.

Mr. CASE. The Printing Office is working under tremendous pressure at this time as we all know. They hoped to have the report ready for us this morning, but so many conference reports and other things demanded attention that it was impossible. We are expecting the report at about 1:30 o'clock this afternoon, or perhaps 2 o'clock.

#### USE OF AGRICULTURAL COMMODITIES TO IMPROVE THE FOREIGN RELATIONS OF THE UNITED STATES

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfin-

#### AUTHORIZATION FOR CERTAIN CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS

The Senate resumed the consideration of the bill (S. 2491) to authorize certain



ished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 643, Senate bill 2475.

The PRESIDING OFFICER. The clerk will state the bill by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, I have no intention of objecting, but I should like to ask the majority leader if he intends to suggest the absence of a quorum.

Mr. KNOWLAND. I shall as soon as the unanimous-consent request is agreed to.

The PRESIDING OFFICER. Is there objection to the consideration of the bill? There being no objection, the Senate proceeded to consider the bill.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. WILLIAMS. Mr. President, reserving the right to object, does not the Senator plan to take up the agriculture bill?

Mr. CASE. Yes.

Mr. WILLIAMS. I think there should be a bona fide quorum call with respect to the agriculture bill, which is about to be taken up. Of course, if it is the Senator's desire to lay that bill aside temporarily, I have no objection.

Mr. CASE. Does the Senator request that there be a quorum developed before the agriculture bill is taken up?

Mr. WILLIAMS. Yes, before a bill of that importance is considered.

The PRESIDING OFFICER. Does the Senator object?

Mr. CASE. Mr. President, I desire to call up, first, a bill relating to the District of Columbia.

Mr. WILLIAMS. I have no objection to laying aside the agricultural bill temporarily.

Mr. CASE. I shall suggest another quorum call before the agricultural bill is taken up.

The PRESIDING OFFICER. Without objection, the order for the quorum call is rescinded.

#### CONSTRUCTION OF CERTAIN RAILROAD TRACKS AND RELATED FACILITIES BY THE POTOMAC ELECTRIC POWER CO.

Mr. CASE. Mr. President, I ask unanimous consent that the pending business may be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 373, which is Senate bill 1691.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1691) to authorize Potomac Electric Power Co. to construct, maintain, and operate in the District of Columbia, and to cross Kenilworth Avenue NE. in said District with certain railroad tracks and related facilities, and for other purposes.

Mr. CASE. The bill was on the calendar yesterday and was objected to, but there has been consultation with the Senator for whom objection had been entered, and he has no further objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1691) to authorize Potomac Electric Power Co. to construct, maintain, and operate in the District of Columbia, and to cross Kenilworth Avenue NE., in said District, with certain railroad tracks and related facilities, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 3, line 14, after the word "facilities", to insert a colon and the following proviso: "Provided, That upon completion of said overhead bridge, but not later than 1 year from the date of approval of this act or within such further period of time as the Commissioners of the District of Columbia shall permit, said Potomac Electric Power Co., its successors and assigns, shall remove from said Kenilworth Avenue said temporary railroad track crossing said avenue at grade authorized by the provisions of this section."

And on page 4, line 10, after the word "property", to insert "other than public grounds, space, or streets of the United States or the District of Columbia"; so as to make the bill read:

*Be it enacted, etc.,* That the present or future public convenience and necessity require or will require the construction and operation of the crossings, tracks, and other facilities authorized by this act, and that—

SECTION 1. Potomac Electric Power Co., a corporation organized and existing under the laws of the United States of America relating to the District of Columbia and a domestic corporation of the Commonwealth of Virginia, its successors and assigns, is hereby authorized to construct, operate, and maintain in the District of Columbia railroad tracks providing a direct connection between the area bounded by Kenilworth Avenue NE., Benning Road NE., Foote Street NE., and the Anacostia River (hereinafter called the Benning plant area) and the right-of-way of The Pennsylvania Railroad Co. in Parcels 176/100 and 176/101 in said District; to construct, operate, and maintain an overhead bridge carrying such tracks across said Kenilworth Avenue NE.; and to construct, operate, and maintain in the Benning plant area all such industrial sidetracks, switches, crossings, tracks, turnouts, extensions, branch tracks, spurs, sidings, and connections as in the opinion of said Potomac Electric Power Co., its successors or assigns, may be or become necessary or expedient or advisable for the development and use of the Benning plant area for such uses as may now or hereafter be permitted by or under the zoning regulations and maps of the District of Columbia as now or at any time hereafter in effect; and said Potomac Electric Power Co., its successors and assigns, is hereby further authorized, until said overhead bridge is completed and ready for operation, to construct, operate, and maintain

across said Kenilworth Avenue NE., in the District of Columbia, a railroad track crossing at grade to provide a direct connection between the Benning plant area and said right-of-way of The Pennsylvania Railroad Co., and from said crossing at grade to construct, operate, and maintain in the Benning plant area industrial sidetracks, switches, crossings, tracks, turnouts, extensions, branch tracks, spurs, sidings, and connections to the extent hereinabove authorized; and said Potomac Electric Power Co., its successors and assigns, is hereby further authorized, in connection with the tracks, crossings, and other facilities herein authorized, to construct, operate, and maintain such electrical or other equipment and installations as in its opinion may be necessary, expedient, or advisable for the operation of said tracks, crossings, and other facilities: *Provided*, That upon completion of said overhead bridge, but not later than 1 year from the date of approval of this act or within such further period of time as the Commissioners of the District of Columbia shall permit, said Potomac Electric Power Co., its successors and assigns, shall remove from said Kenilworth Avenue said temporary railroad track crossing said avenue at grade authorized by the provisions of this section.

SEC. 2. Before any portion of the construction work authorized by section 1 of this act shall be begun on the ground, a plan or plans for such portion shall be submitted to the Commissioners of the District of Columbia for their approval, and only to the extent that such plan or plans shall be approved by said Commissioners shall such portion of the construction work herein authorized be permitted or undertaken: *Provided, however*, That such approval shall not be unreasonably withheld by said Commissioners.

SEC. 3. Said Potomac Electric Power Co., its successors and assigns, is authorized to acquire by gift, exchange, dedication, purchase, or condemnation any real or personal property other than public grounds, space, or streets of the United States or the District of Columbia which in its opinion is necessary or expedient or advisable for right-of-way for the bridge, Kenilworth Avenue grade crossing, industrial sidetracks, switches, crossings, tracks, turnouts, extensions, branch tracks, spurs, sidings, and connections authorized by section 1 of this act. If said company, its successors or assigns, shall be unable to acquire any piece or parcel of land, easement, or other real or personal property which in its opinion is necessary or expedient or advisable for any of the purposes of this act at a price deemed by it to be satisfactory, then in such event said Potomac Electric Power Co., its successors and assigns, is hereby authorized to acquire the same by condemnation proceedings to be instituted in its own name by petition filed in the District Court of the United States for the District of Columbia in accordance with the provisions of sections 16-601 to 16-611, inclusive, of the District of Columbia Code (1951 edition) or in accordance with such other provisions of law as may then be applicable to the condemnation of land by the District of Columbia. In such proceedings, said Potomac Electric Power Co., its successors and assigns, shall have the same rights, powers, and obligations as are applicable to the District of Columbia under said sections 16-601 to 16-611, inclusive, or under such other applicable provisions of law, in an action brought by the District of Columbia.

SEC. 4. Said Potomac Electric Power Co., its successors and assigns, is hereby authorized to permit any railroad company or companies to use the bridge, Kenilworth Avenue grade crossing, industrial sidetracks, switches, crossings, tracks, turnouts, extensions, branch tracks, spurs, siding, and connections authorized by section 1 of this act to the extent deemed necessary or expedient or advisable by said Potomac Electric Power Co., its successors or assigns.



The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KNOWLAND subsequently said:

Mr. President, a short time ago Calendar No. 373, Senate bill 1691, was brought up and passed. I now ask unanimous consent that the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed be reconsidered, and that the bill be restored to its place on the calendar.

This action is taken with the approval of the author of the bill, the Senator from South Dakota [Mr. CASE]. Apparently the then acting minority leader [Mr. GORE] had understood that there was no objection to the bill. However, I am informed that an objection had been entered with the minority calendar committee, with the request that prior notice be given to the Senators who had requested notice. For that reason, in fairness to Senators who had requested notice, it seems to me that the action of the Senate should be reconsidered and the bill restored to its place on the calendar.

Mr. CASE. Mr. President, the statement of the Senator from California is correct. The objections which had been made known to me were withdrawn. They were made by one of the Senators from Colorado. However, the objection reported now is from another source. I have no objection to the bill being restored to the calendar.

The PRESIDING OFFICER (Mr. BENNETT in the chair). Without objection, the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed, are reconsidered; and the bill is restored to the calendar.

#### CLARIFICATION OF STATUS OF CERTAIN MINING CLAIMS

The PRESIDING OFFICER (Mr. BENNETT in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1397) to clarify the status of mining claims on land known to be valuable for oil or gas or included in oil and gas leases, or applications or offers for such leases, and for other purposes, which were, to strike out all after the enacting clause and insert:

That (a) subject to the provisions of this act and to any valid intervening rights acquired under laws of the United States, any mining claim located under the mining laws of the United States subsequent to July 31, 1939, and prior to January 1, 1953, on lands of the United States which were, at the time of such location—

(1) included in a permit or lease issued under the mineral leasing laws; or

(2) covered by an application or offer for a permit or lease which had been filed under the mineral leasing laws; or

(3) known to be valuable for minerals subject to disposition under the mineral leasing laws;

shall be effective to the same extent as if such mining claim had been located on lands which were at the time of such location subject to location under the mining laws of the United States; *Provided, however*, That in order to obtain the benefits of this act, the owner of any such mining claim shall, not

later than 120 days after the date of enactment of this act, post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record and amended notice of location of such claim, stating that such notice is filed pursuant to the provisions of this act and for the purpose of obtaining the benefits thereof.

(b) Labor performed or improvements made upon or for the benefit of such mining claims after the original location thereof shall be recognized as applicable thereto for all purposes to the same extent as labor performed and improvements made upon or for the benefit of mining claims which are not affected by this act.

(c) Any withdrawal or reservation made after the original location of such mining claim affecting land covered by such mining claim is hereby modified and amended so that the effect thereof upon such mining claim shall be the same as if such mining claim had been located upon lands of the United States, which, subsequent to July 31, 1939, and prior to the date of such withdrawal, were subject to location under the mining laws of the United States.

Sec. 2. Any mining claim given force and effect as provided in section 1 of this act shall be subject to the reservation to the United States of all minerals which, upon the effective date of this act; are provided in the mineral leasing laws to be disposed of thereunder, and the right of the United States, its lessees, permittees, and licensees, to enter upon the land covered by such mining claim to prospect for, mine, treat, store, and remove such minerals, and to use so much of the surface and subsurface of such mining claim as may be necessary for such purposes, and to enter upon such land for the purpose of prospecting for, mining, treating, storing, and removing such minerals on and from other lands of the United States; and any patent issued for any such mining claim shall contain such reservation.

Sec. 3. As used in this act "mineral leasing laws" shall mean the act of October 20, 1914 (38 Stat. 741); the act of February 25, 1920 (41 Stat. 437); the act of April 17, 1926 (44 Stat. 301); the act of February 7, 1927 (44 Stat. 1057) and all acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing acts.

And to amend the title so as to read: "An act relating to mining claims located on land with respect to which a permit or lease has been issued, or an application or offer for permit or lease has been made, under the mineral leasing laws, or known to be valuable for minerals subject to disposition under the mineral leasing laws, and for other purposes."

Mr. MALONE. I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BUTLER of Nebraska, Mr. BARRETT, Mr. MILLIKIN, Mr. MURRAY, and Mr. ANDERSON conferees on the part of the Senate.

#### AMENDMENT OF MINERAL LEASING LAWS RELATING TO GAS PIPELINES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S.

2220) to amend the mineral leasing laws with respect to their application in the case of pipelines passing through the public domain, which was, on page 2, line 3, after "municipality" insert: "except as to natural gas produced from Government lands in the vicinity of the pipeline: *Provided further*, That the Federal Power Commission with regard to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act, may, upon application of any producer of natural gas, and after a full hearing, with due notice thereof to interested parties and a proper finding of facts, including a finding as to the availability of capacity of such pipeline, direct such pipeline to accept, convey, transport, or purchase, without discrimination, natural gas produced by such applicant, other than gas produced from public lands coming within the common carrier provisions of this section."

Mr. MALONE. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BUTLER of Nebraska, Mr. BARRETT, Mr. MILLIKIN, Mr. MURRAY, and Mr. ANDERSON conferees on the part of the Senate.

#### CALL OF THE ROLL

Mr. CASE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Griswold	Maybank
Barrett	Hayden	McCarran
Beall	Hendrickson	McCarthy
Bennett	Hennings	McClellan
Bicker	Millikin	Millikin
Bush	Kickenlooper	Mundt
Butler, Md.	Hill	Murray
Butler, Nebr.	Hoey	Neely
Byrd	Holland	Pastore
Case	Humphrey	Payne
Chavez	Hunt	Potter
Clements	Ives	Purtell
Cordon	Jackson	Robertson
Daniel	Jenner	Russell
Dirksen	Johnson, Tex.	Saltonstall
Duff	Johnston, S. C.	Schoeppel
Dworshak	Kennedy	Smathers
Eastland	Kilgore	Smith, N. J.
Ellender	Knowland	Symington
Ferguson	Kuchel	Thye
Frear	Langer	Watkins
Fulbright	Lehman	Welker
George	Lennon	Wiley
Gillette	Long	Williams
Goldwater	Magnuson	Young
Gore	Malone	
Green	Mansfield	
	Martin	

The PRESIDING OFFICER. A quorum is present.

#### USE OF AGRICULTURAL COMMODITIES TO IMPROVE THE FOREIGN RELATIONS OF THE UNITED STATES

The Senate resumed the consideration of the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of



the United States and for other purposes.

Mr. SCHOEPPEL. Mr. President, as will be observed from the report which accompanies the pending bill, it follows to a limited extent, sections of other measures which have heretofore been before the Senate. The pending bill is a bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes. The Committee on Agriculture and Forestry, having considered the bill, as it is specifically stated in the report, reports the bill and recommends that it do pass without amendment. Senators who serve on the Committee on Agriculture and Forestry, and other Senators also, I am sure know that the Senate had before it during this session a number of bills authorizing the barter or sale for foreign currencies, of surplus agricultural commodities.

Farm organizations, various Senators, and others have evidenced considerable interest in these proposals; and section 550 was added to the Mutual Security Act of 1951 at this session to provide for such sale. While the Department of Agriculture, as set out in exhibit A of this report, believes that section 550 is sufficient at this time, your committee feels that the additional authority provided by the bill is necessary if we are to make an adequate attempt to discover whether sale for foreign currencies presents a profitable avenue for disposing of surplus agricultural commodities and for expanding world trade.

The Commodity Credit Corporation has in prospect by the end of this year an investment in stocks owned or under purchase agreement of approximately \$5 billion. S. 2475 is the only proposal brought before this body this session that comes to grips in a realistic way with this very urgent problem.

In dealing with surplus agricultural products we have 1 or 2 alternatives—either shrink the agricultural plant of this country to existing markets, which we have learned in the last few weeks is a most unsatisfactory approach politically and is dangerous economically. The other alternative is to seek to develop means to increase exports and reinforce the mutual security program, to protect our existing markets and create new ones. S. 2475 with an authorization of \$500 million would achieve these objectives. It is a matter of utmost urgency that this legislation be enacted before adjournment in order to start work on the disposal of surpluses immediately.

The recently enacted Mutual Security Act of 1953 contained a provision to authorize the President to enter into agreements with friendly countries for the sale and export of surplus agricultural commodities and accept for them local currency for the account of the United States. It provides that in the negotiation of the agreements, the President would take special precaution to safeguard the existing markets.

The section further provides that the local currencies received by the United States for agricultural products sold are to be used (a) for providing military as-

sistance, such as to the North Atlantic Treaty Organization and for Indochina; (b) for the purchase of goods or services needed in other friendly countries; (c) for loans for increasing production, including strategic materials; (d) for developing new markets for agricultural products; (e) for grants-in-aid to increase production; and (f) for stockpiling materials needed by the United States.

Section 550 of the Mutual Security Act sets the framework within which agricultural markets can be expanded. S. 2475 authorizing \$500 million will give sufficient money to give this new concept of expanding agricultural markets a full test.

Senate bill 2475, in addition to providing the half billion dollars to effectuate section 550, establishes a procedure which will assure that the majority of the sales will be made through private traders rather than on a State trading basis.

#### SECTION-BY-SECTION ANALYSIS OF SENATE BILL 2475, AGRICULTURAL TRADE DEVELOPMENT ACT OF 1953

Section 2 declares that the policy of the Congress is to use excess agricultural commodities to expand the free world economies by promoting additional trade and strengthening the economies of cooperating nations.

Section 3 authorizes the President, in accordance with the provisions of section 550 of the Mutual Security Act, to (a) make excess commodities held by the Commodity Credit Corporation available for sale and (b) direct the Commodity Credit Corporation, in accordance with adequate safeguards to convert into dollars the currency received by exporters for selling agricultural products provided that the total value of the CCC stocks and the dollars used for conversion of local currency do not exceed \$500 million.

Under domestic operations of CCC, on receipt of documents that wheat has been inspected and sealed, CCC pays. Under this provision, upon receipt of documents that foreign currency has been deposited to the account of the United States, pursuant to all the conditions prescribed by the President, CCC would pay.

Section 4 defines excess agricultural commodities as those determined by the Secretary of Agriculture to be in excess of probable domestic and export sales plus a reserve for working stocks.

Section 5 directs the President to administer the provisions of the act so as to export the maximum quantities of agricultural commodities with the funds made available to him for that purpose. This is to avoid the use of the funds for unwarranted processing and other expenses that could be borne by receiving countries.

Section 6 is a congressional authorization for appropriation to the CCC to reimburse it for commodities transferred pursuant to the act and for funds used in the conversion of local currencies. It authorizes any funds or assets available to the CCC to be used in advance of appropriations, for carrying out the purposes of the act.

It also requires that the Mutual Security Administration reimburse the CCC in dollars for local currencies used for, first, providing military assistance; second, for loans to increase production of goods or services including strategic materials; or third, for grants-in-aid to increase production.

Section 7 states that no programs shall be undertaken under this authority after June 30, 1955.

Section 8 directs the President to report to the Congress with respect to the activities carried on under this act at least once each 6 months and at such other times as may be appropriate.

That section was added, I may say, so that Congress could keep informed as to whether the proposed use of the agricultural surpluses would appropriately serve the interests of the United States.

Mr. President, with that explanation, may I say that there were a number of proposals by way of bills before the Senate and the House of Representatives, in an effort to do what is provided by this measure.

I say very frankly to my colleagues that I have no pride of authorship in the bill. I am explaining it because I am a member of the Senate Committee on Agriculture and Forestry, together with other Senators who have joined in sponsoring the bill.

We seek to provide an opportunity and an avenue for the use of agricultural commodities we have in surplus supply, by sending them to countries of the world that are friendly to us, and whose people are friendly to us. It is proposed that that be done under proper safeguards, as we view them, and under arrangements to accept in payment the currencies of those countries, and use them in the way outlined in the bill. This is a bill to promote trade. In no sense does the bill provide for a giveaway program.

#### COMMONSENSE—ACCEPT FOREIGN NATIONS' CURRENCY FOR PURCHASES

Mr. MALONE. Mr. President, will the Senator from Kansas yield to me?

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). Does the Senator from Kansas yield to the Senator from Nevada?

Mr. SCHOEPPEL. I yield.

Mr. MALONE. What would determine the price of the currency? At times some countries have several prices for their currencies. A country may have an official price which is a fictitious price, and then there will be a market price on the street or on the stock exchanges of the world, which is the regular going price at which anyone can purchase the currency.

Is it proposed that the official price or the price on the street or on the stock exchanges of the world be used?

Mr. SCHOEPPEL. I do not profess to be an expert on foreign currencies much less on the manipulations of foreign currencies. However, the bill provides authority for the President to take such steps, and under such conditions, as will safeguard the interests of the United States.

Naturally, I would feel that under those circumstances, and within the lati-



tude provided by the bill, the President, with the assistance of his executive agencies, and thus having a much wider knowledge of the currency situation over the world than I would have, individually, certainly would be able to prescribe conditions which would protect the United States in that regard.

Mr. MALONE. Mr. President, will the Senator from Kansas yield further to me?

Mr. SCHOEPPPEL. I am glad to yield.

TAKE CREDIT FOR THE AMOUNT OF THE SALE

Mr. MALONE. Do I correctly understand that the other country would simply credit us with the amount of their purchases from us in their own currency at the current rate of world exchange; and thereafter, when we purchased materials from them, they would simply debit us with the amount of our purchases at the then current rate of exchange, in terms of their currency? It would not be necessary for their currency actually to come to the United States, but they would first credit us for what they buy and then debit us the amount of our purchases from them. Is that correct?

For example, the sterling bloc—which includes approximately 50 to 55 countries—if we were to purchase wool from Australia, gold from South Africa, or wheat from Canada, those countries could simply debit the United States, in terms of pounds, for the amount of such products shipped to the United States. Is that correct?

Mr. SCHOEPPPEL. That is correct. That would be one way the matter could be handled.

Mr. MALONE. Then the fact is that under the bill the President would have that latitude, so that he could sell wheat or cotton or any other commodity to such a country and could take credit for the amount of the sale, on the basis of the world price of the currency, not the fictitious official price which the government of that country might set. Is that correct?

Mr. SCHOEPPPEL. That is correct.

UNITED STATES DEBIT THE AMOUNT OF PURCHASE

Mr. MALONE. Then the amount debited would be arrived at on the basis of the real price of the currency, regardless of any fictitious official price which might have been set. Is that correct?

Mr. SCHOEPPPEL. That is correct.

WHEAT TO INDIA

Mr. MALONE. I should like to say that when we sent wheat to India a couple of years ago, I offered to the bill authorizing the shipment an amendment which would simply have allowed India to credit us for the wheat in terms of the corresponding amount of rupees, at the world rate of exchange.

Thereafter, when India produced monozite sands or manganese—India has enough to last the United States and India for the next 100 years—or hemp or any one of 15 or 20 other materials which we import, India would simply send those materials to us and debit us for the amount of the purchase, and in that way pay the debt.

That would be an ideal situation.

However, at that time the Senate had not yet come to its senses, and refused to adopt it. Of course, no adequate answer was given on the floor of the Senate for the failure to adopt the amendment—but we were then under an administration whose chief objective was to divide the wealth and bring about a one economic world.

I am very glad that now the Senate is coming to its senses and ready to consider the American taxpayer. This proposed legislation is eminently fair and will promote good feeling among nations and secure a quid pro quo for the taxpayers of the United States of America.

Mr. ANDERSON. Mr. President, will the Senator from Kansas yield to me for a moment?

Mr. SCHOEPPPEL. I yield.

Mr. ANDERSON. I should like to say to the Senator from Nevada that there was good, sound reason for some of the things he suggested at that time, and we are glad to incorporate that very idea in this bill.

At the time when his suggestion was made, someone said, "That would cause a postponement in the making of this very fine gesture on the part of our Government." Actually, I do not know whether it would have done that.

In any event, now we have gotten around to proceeding along that line, and I am glad it will be possible for the United States to convert some of its agricultural surpluses into some of the commodities we need, instead of simply selling our surpluses for dollars.

Mr. MALONE. I may say to the distinguished Senator from New Mexico, about all that would be postponed would be bankruptcy for the United States taxpayer.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I am glad to yield to the Senator from North Dakota.

Mr. YOUNG. I wish to commend the senior Senator from Kansas for the effective work he has been doing on this bill. I look upon this as one of the most important, if not the most important, pieces of legislation that has been considered by the Senate at this session, particularly with respect to agriculture. In my opinion we have been blessed and not cursed with some surpluses. We are in the position of a nation with agricultural surpluses, when many other nations are starving. When we have such surpluses, we have adverse farm prices, and when we have adverse farm prices, there develops a national economic problem. This bill proposes for the first time, I think, a very feasible and sound method of trying to make our agricultural surpluses available to other nations of the world who are needy and in want of these supplies.

As the Senator from Kansas pointed out a while ago, it offers a means of getting our surpluses to needy countries without upsetting the markets of the world; in other words, without dumping our surpluses. We can get something out of the commodities. It is a practice other nations have been engaging in for

a long while; in fact, they have been resorting to barter arrangements, which are much more rigid than anything contemplated by the pending proposal. Unless we are willing as a Nation to adopt some of the practices followed by other nations of the world, I do not see how we can expect to trade to the extent we should in foreign markets.

Mr. SCHOEPPPEL. I thank the Senator from North Dakota.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I shall yield to the Senator from Maryland in a moment, but first, I want to say to the distinguished Senator from North Dakota that he is quite right regarding this bill. As he has pointed out, it does provide, as we view it, an avenue for greater expansion of our markets, and at the same time affords foreign countries that need them an opportunity to obtain agricultural products, which would be made available to them at prices they are willing to pay, in their own currencies, and which they are now precluded from obtaining because of the dollar shortages.

Mr. YOUNG. Mr. President, will the Senator yield further?

Mr. SCHOEPPPEL. I am glad to yield to the Senator from North Dakota.

Mr. YOUNG. The Senator from Kansas will no doubt recall that under the Mutual Security Agency appropriation bill we are, I think, giving money to every nation in the world, with the exception of those behind the Iron Curtain, and even some of them. In practically all those countries, particularly the ones in need of food, rather than giving them the food, we can take their currencies and use them as an offset for United States dollar costs in those countries. I think this measure would put such transactions on a better basis, and certainly would give us an opportunity to realize some return from our farm surpluses.

Mr. SCHOEPPPEL. I may say to the distinguished Senator from North Dakota that my attention was drawn to certain matters which were presented—I think it was last year—before the Committee on Foreign Relations by the representative of one of the great farm organizations. Here are some recent examples of trade-agreement negotiations between, let us say, the Iron Curtain countries and noncommunist countries, and of markets, many of which we could break into, if we had some such program as the one now proposed. I was surprised to know that Ceylon entered into a 5-year agreement last year with China to trade 50,000 tons of rubber for 270,000 tons of rice, presumably each year; that Western Germany is trading chemicals, pharmaceuticals, and manufactured goods to Bulgaria for 9,000 tons of wheat, 8,000 tons of corn, and \$1,500,000 worth of eggs; that Finland is trading forestry products for 275,000 tons of wheat, 100,000 tons of rye, 10,000 tons of rice, 30,000 tons of barley, and 95,000 tons of sugar from Russia; that Sweden is trading butter and steel products to the U. S. S. R. for corn which Sweden badly needs; that Austria is trading various light industrial products to Rumania



for its surplus grains, or grains which Rumania is willing to give up in its own economy in order to get the benefits of a trade. That is but a partial list. There are 10 or 15 other patent examples. If we had a vehicle by means of which we could maneuver the program in such a way as, in our opinion, would be provided by the pending bill, we could break into some of those markets. It is a two-way street. We could be disposing of some of our agricultural surpluses on a legitimate basis of barter and trade, thus further expanding our markets and obtaining the good will of the other countries. As countries tie themselves together economically, friendships are established, and by the means here proposed we are attempting to solidify our friendships around the world. As the Senator from North Dakota has stated on other occasions, when we find a way to dispose of some of our agricultural surpluses legitimately, through business channels, such surpluses are not drawbacks, but are blessings in disguise.

Mr. YOUNG. Mr. President, will the Senator yield further?

Mr. SCHOEPPPEL. I am glad to yield to the Senator from North Dakota.

Mr. YOUNG. I know of no opposition to this proposal in any foreign country. Does the Senator from Kansas know of any?

Mr. SCHOEPPPEL. I may say to the distinguished Senator from North Dakota that the Senator from Kansas does not know of any.

Mr. YOUNG. Foreign countries oftentimes—and I think perhaps rightfully so—resent any attempt to dump surpluses on their markets. But this is a different approach. I understand that in order for a nation to be in a position to take advantage of this program it would first have to make its normal purchases of food in this country.

Mr. SCHOEPPPEL. That is correct.

Mr. YOUNG. That is very important.

Mr. SCHOEPPPEL. I agree with the distinguished Senator.

I am glad now to yield to the Senator from Maryland, and I apologize for having kept him waiting for so long.

Mr. BUTLER of Maryland. Mr. President, I should like to ask the Senator whether his committee gave thought to prescribing in this legislation that any tonnage made available under this act should be shipped in American-flag vessels, if such tonnage is available.

Mr. SCHOEPPPEL. I may say to the distinguished Senator there are two provisions in the bill which we thought might affect that. On page 2, subparagraph (a), line 9, there appears this language: "and at such places within the United States, including free-on-board vessel American ports, as the President may direct."

Mr. BUTLER of Maryland. That would not seem to indicate that it would necessarily be an American-flag vessel.

Mr. SCHOEPPPEL. I want to point out one other thing.

Mr. BUTLER of Maryland. As I understand that language, it means that the commodities shall be free on board at

an American port, but it can be on a foreign-flag vessel.

Mr. SCHOEPPPEL. Yes.

Mr. BUTLER of Maryland. Did the committee hold hearings on this bill? Have there been any hearings on the bill?

Mr. SCHOEPPPEL. Yes, there were hearings at length on export-import problems, which covered the substantive features of the pending bill, and of certain other bills which were presented, designed to cover the same situation; but there were not complete and conclusive hearings on every detail.

I may say to the distinguished Senator from Maryland that it was suggested, I think, by the Senator from Massachusetts, that there might be included at the proper place in the bill a provision that at least 50 percent of the products should be shipped in American bottoms. While I have no authority to speak for all the members of the Committee on Agriculture and Forestry, yet I know that that has been a stock phrase or provision which has been included in quite a number of other bills providing for the shipment of certain materials abroad.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I am glad to yield to the Senator from Minnesota.

Mr. THYE. In all discussions of bills involving the shipment of commodities or products, the question is always asked, "Will about one-half of the shipment be made in American bottoms?" In some legislative measures there has been included a specific provision making it mandatory that that be done. I do not believe there can be any question that the pending measure would be administered in such a manner that about half of the commodities would be shipped in American bottoms.

Mr. BUTLER of Maryland. Mr. President, would the Senator from Kansas be willing to accept an amendment, on page 2, line 11, inserting after the word "direct":

*Provided, That at least 50 percent of the gross tonnage of commodities made available under this act and transported from the United States on ocean vessels shall be so transported on United States-flag vessels, to the extent practicable, and to the extent that such vessels are available at market rates for United States-flag vessels.*

Mr. SCHOEPPPEL. I inquire of the distinguished Senator from Maryland whether that follows precisely the stock provision which has gone into other measures.

Mr. BUTLER of Maryland. I think that provision has gone into all other similar measures, with the possible exception of the bill we passed yesterday in connection with the \$100 million of commodities to be sent to friendly nations.

Mr. SCHOEPPPEL. I think that when the bill was before the Senate, an amendment on the subject was offered by the distinguished Senator from Washington [Mr. MAGNUSON] but, as I recall, he later withdrew it.

Mr. BUTLER of Maryland. Such a provision was included in the report.

Mr. SCHOEPPPEL. The amendment was withdrawn with the understanding that it would be covered in the report.

I will say very frankly to the Senator from Maryland that there are other members of the committee present who are vitally interested in this measure. I do not for a moment seek to impress my feelings about this matter upon the distinguished Senator from Maryland. I should be very glad to have the substance of such an amendment as he suggests incorporated in the report. Whether that would be sufficient or not I would leave to the judgment of the Senator from Maryland.

Mr. BUTLER of Maryland. I do not think that would be sufficient. In this bill we seem to be establishing a new method of disposing of agricultural products. Section 2 of the bill provides:

It is hereby declared to be the policy of the Congress to use agricultural commodities in excess of market demands to expand free world economies by promoting additional trade and strengthening the economies of the cooperating nations.

The bill authorizes an expenditure for that purpose of half a billion dollars. I think it should be written into the bill that American-flag vessels are to transport the products. It seems to me that if we pass this sort of legislation we may be committing ourselves to a policy of this kind, and I think the use of American-flag vessels should be made a permanent policy.

Mr. SCHOEPPPEL. There are other members of the Committee on Agriculture and Forestry here who have given long study and effort to this bill. I would have no serious objection to the amendment being offered to the bill and being taken to conference.

Mr. ANDERSON. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I yield.

Mr. ANDERSON. I should like to point out that the bill contemplates increasing trade, and we would be only limiting trade by saying that American-owned vessels must be used. I do not object to the requirement of the use of American-owned ships when we are transporting commodities owned by the Commodity Credit Corporation or commodities which are acquired under some program into which Federal money has gone, but if private trade is involved, I do not think we can adopt such a formula.

Mr. SCHOEPPPEL. I think the Senator from New Mexico is on sound ground.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Kansas yield further?

Mr. SCHOEPPPEL. I yield.

Mr. BUTLER of Maryland. Is it private trade to the extent that the American taxpayer will not lose any money? Will he be reimbursed to the value of the commodity exchanged?

Mr. SCHOEPPPEL. He would be reimbursed in foreign currencies.

Mr. BUTLER of Maryland. To the extent of the fair market value?

Mr. SCHOEPPPEL. Yes. I will say to the Senator that was contemplated in this measure.

Mr. BUTLER of Maryland. Has the Senator's committee asked for the opin-



ions of interested departments of Government on this measure? The reason I ask this is that I had never heard about this bill until today.

Mr. ANDERSON. Mr. President, will the Senator from Kansas yield further, in order that I may reply to the Senator from Maryland.

Mr. SCHOEPPEL. I yield.

Mr. ANDERSON. I should like to say to the Senator from Maryland that there is a difference between this bill and the bill on which there is a report. The report is on Senate bill 2127. This is Senate bill 2475 which was recommended as a result of many discussions. It was decided it was more simple to try to combine several bills into one than to try to deal only with Senate bill 2127. I would say to the Senator from Maryland that if he desires to make his amendment applicable to subsection (a), so far as I am concerned, I would have no objection; but I think he is probably going too far when he applies it to subsection (b) in this bill. If this bill goes to conference, while I cannot speak for the Senate conferees, if we can get additional information on it it might be possible to agree to it in conference.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPEL. I yield.

Mr. BUTLER of Maryland. I suggested that my amendment be made on page 2, line 11.

Mr. ANDERSON. I am sorry. I did not understand it was that section.

Mr. WILLIAMS. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPEL. I yield.

Mr. WILLIAMS. I supported a similar amendment to the foreign trade bill, but in this bill we have a different situation. We are selling commodities f. o. b. ports. Can we tell foreign buyers that it is the purpose of the bill that the products must be transported on American ships? Can we administer such an amendment?

Mr. SCHOEPPEL. I believe the Senator from New Mexico [Mr. ANDERSON] made it clear that the amendment should be concerned only with those commodities in which the Commodity Credit Corporation or the Government has an interest. I believe the Senator from Delaware has raised a good question.

Mr. WILLIAMS. If I understand the bill correctly, it covers all commodities which the Government owns, and, therefore, the Government will have a financial interest in them. They are available for sale and they are sold f. o. b. vessel at American ports. If the Commodity Credit Corporation sells each commodity f. o. b. New York, Philadelphia, or some other eastern or western port, I raise the question whether we could tell the purchaser that the commodities must be shipped in American vessels. If there is an outright gift of the commodities we can lay down the terms.

The PRESIDING OFFICER. Will Senators suspend until the clerk states the amendment of the Senator from Maryland?

The LEGISLATIVE CLERK. On page 2, line 11, after the word "direct," it is proposed to insert:

*Provided, That at least 50 percent of the gross tonnage of the commodities made available under this act and transported from the United States on ocean vessels shall be so transported on United States flag vessels to the extent practicable and to the extent that such vessels are available at market rates for United States flag vessels.*

Mr. SCHOEPPEL. Mr. President, should not the amendment be to the subsection, rather than to the act itself?

Mr. BUTLER of Maryland. I will so modify my amendment.

The PRESIDING OFFICER. The Senator from Maryland so modifies his amendment.

SHIPPING—PAID FOR SAME AS THE COMMODITY

Mr. MALONE. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPEL. I yield.

Mr. MALONE. Is it suggested that these commodities shall be shipped in American bottoms?

Mr. SCHOEPPEL. Yes.

TRANSPORTATION OF THE COMMODITY

Mr. MALONE. Why could there not be a provision that the commodities shall be paid for in the currency of the nation to which they go at the current rate of world exchange including payment for the shipping? We would not want to put Uncle Sam in a difficult situation. If we delivered the commodity we would simply take that much more credit in terms of the money of the nation receiving it. If the nation receiving the goods transported it—then they would save that amount of the cost.

Mr. SCHOEPPEL. I will say to the Senator that the bill provides for such terms and conditions as the President may establish.

THE LEGISLATION SHOULD DIRECT THE METHOD

Mr. MALONE. I wish I had the confidence in the executive department the Senator has. I am not talking about the President, but about those who do business for him.

In these days many things are happening to which I do not believe the President would give his consent if they were called to his attention.

But apparently it has never occurred to the Government officials that the entire expense of a shipment of grain f. o. b. vessel to a foreign nation could be paid for by that nation's currency, at the current rate of exchange. And that we could purchase goods from that nation using the credit so built up.

Mr. SCHOEPPEL. I will say very definitely that that is my understanding that the ocean freight might well be paid by the purchasing countries if these conditions applied.

Mr. MALONE. If Congress provides that the commodities shall be carried in American bottoms, the freight should be paid in that foreign nation's currency at the current rate of exchange.

Mr. SCHOEPPEL. I think that might well be the case.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I yield.

Mr. HUMPHREY. I wish to pay what I consider to be very deserved tribute and commendation to the Senator from Kansas and to the Committee on Agriculture and Forestry for reporting the

bill. As the Senator may know, it represents a number of proposals which have been submitted on the subject.

Mr. SCHOEPPEL. That is correct.

Mr. HUMPHREY. I was one of those who made such a proposal; and, as I recall, the Senator from Kansas had introduced his own bill, about which he testified before the Committee on Foreign Relations, and also before the Committee on Agriculture and Forestry. As I understand, it is an amendment to section 550 of the Mutual Security Act. Is that correct?

Mr. SCHOEPPEL. No; the amendment proposed by the Senator from Maryland is an amendment to subsection (a), page 2, beginning at line 5.

Mr. HUMPHREY. What I am saying is that the bill, S. 2475, is an amendment to section 550 (b), (c), (d), and (e), of the Mutual Security Act. Is not that correct?

Mr. SCHOEPPEL. This is a separate bill, but it does carry with it certain of the provisions which are in the Mutual Security Act.

Mr. HUMPHREY. That leads me to another question. In Exhibit B of the report, the purposes outlined under section 550 of the Mutual Security Act, and its appropriate subsections as therein listed, are still maintained as guide posts and directions as to the purposes of the bill before the Senate. Is not that correct?

Mr. SCHOEPPEL. That is correct.

Mr. HUMPHREY. In other words, when excess agricultural commodities are made available from the Commodity Credit Corporation, they are made available to carry out the purposes as outlined and as listed in Public Law 118, section 550 of the Mutual Security Act.

Mr. SCHOEPPEL. That is correct.

Mr. HUMPHREY. What is provided in the bill is broader authority. First, Mutual Security Act funds were limited to that act, and were not in addition to the funds provided in the bill. Actually, section 550 simply took funds out of the Mutual Security authorization, did it not?

Mr. SCHOEPPEL. That is correct.

Mr. HUMPHREY. This bill contemplates a \$500 million addition, for the purpose of developing international trade in agricultural commodities.

Mr. SCHOEPPEL. That was one of the reasons why the amount was reduced from the original amount proposed, namely, \$1 billion. It was reduced to \$500 million because it would be in addition, as the Senator from Minnesota has stated.

Mr. HUMPHREY. I wish to follow through for a moment with the Senator from Kansas. I think it should be made perfectly clear that the bill does not necessarily provide for an expenditure. What we are really providing is a revolving fund of \$500 million, in the sense that the money can be utilized to take up foreign currencies which are used for the payment of shipments of American goods.

Mr. SCHOEPPEL. That is correct.

Mr. HUMPHREY. The foreign currency can then be utilized for the purposes outlined in section 550 of the Mutual Security Act.



Mr. SCHOEPPPEL. And as respecified in the bill before the Senate.

Mr. HUMPHREY. And as respecified in section 3 of S. 2475?

Mr. SCHOEPPPEL. Yes.

Mr. HUMPHREY. I think the record should be perfectly clear that we are not simply appropriating money for which we will get no return. Actually, we will get a return in the form of foreign currencies, which are negotiable within the countries which issue them.

Mr. SCHOEPPPEL. The distinguished Senator from Minnesota has used the term "revolving fund." The bill does not provide for a revolving fund as such. I assume the Senator was merely using the term as a figure of speech.

Mr. HUMPHREY. It would not be as though we were giving \$500 million away.

Mr. SCHOEPPPEL. That is correct.

Mr. HUMPHREY. A means of exchange is provided.

Mr. SCHOEPPPEL. Yes, to the extent specified.

Mr. HUMPHREY. The next point I wish to note is that as I understand, the Commodity Credit Corporation, under this proposal, as distinguished from others, will not have it notes concealed, thereby reducing the loaning authority of the Commodity Credit Corporation. Actually, the Commodity Credit Corporation will be reimbursed. Is that correct?

Mr. SCHOEPPPEL. The Senator has stated the situation correctly.

Mr. HUMPHREY. Finally, as I understand, section 4 of the bill protects what we might call the normal reserves of American agricultural commodities. In other words, there will be no danger that by the passage of the bill we will deplete to the danger point the reserve stocks of food and fiber which a country so large as the United States should have. Under the bill, the Secretary of Agriculture is directed to make certain that there is a reserve of working stocks. In other words, reserve stocks must be maintained in the United States, and they must not be depleted. Is not that correct?

Mr. SCHOEPPPEL. The Senator from Minnesota is correct. That point was definitely made in the deliberations and determinations on the wheat bill. As the Senator from Minnesota has pointed out, the bill provides and requires that the Secretary of Agriculture shall protect the United States in the particular categories of domestic requirements, export, sales, and reserves for working stocks.

Mr. HUMPHREY. It also follows through with the normal trade channels and trade practices. I wish to make quite clear the point that we are not setting up a Government merchandise mart, so to speak. Under the terms of the bill, we are following through with the normal trade practices and agriculture economy. Is that not correct?

Mr. SCHOEPPPEL. That is correct.

Mr. HUMPHREY. I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I yield to the Senator from Florida.

Mr. HOLLAND. While I would have no objection at all to the amendment offered by the Senator from Maryland [Mr. BUTLER], if I felt it was applicable to the setup created by the bill, I agree entirely with the statement of the Senator from Delaware [Mr. WILLIAMS] that this is not a program under which the United States has the right to dictate or should dictate the terms of transportation of commodities sold either by Commodity Credit Corporation or by exporters to the foreign countries, or the organizations within foreign countries which buy our agricultural commodities. The Senator will notice that this is not an aid bill at all.

Mr. SCHOEPPPEL. That is correct.

Mr. HOLLAND. It is a trade bill. Under the provisions of the trade bill, there are two things outstanding.

First, under the provisions of paragraph (b) of section 3, and likewise under the requirements of the appropriate subsections of section 550 of the Mutual Security Act, every emphasis is to be placed upon private exporters, private trade commercial channels, and the like. Certainly there would be no propriety whatsoever in attempting to direct either the purchasers or the sellers to the private exporters of channels of transportation they shall use.

It is true that the amendment offered by the distinguished Senator from Maryland is not directed to subsection (b) of section 3, but is directed to subsection (a). I wish to mention this fact with reference to that subsection. That subsection has no relation to the transportation of the commodities purchased abroad from the time they are purchased. It permits payment of costs to the ports, loaded on board vessel. It states in so many words that sales may take place at locations within the United States wherever purchases may be effective, whether at the place of storage, the place of loading on railroad cars, or the place of loading on ships. In any event, the problem of transport from the time of delivery, from the time sale is completed, is the problem of the purchaser.

Therefore, I think the amendment, while wholly meritorious as applied to situations to which it is properly applicable, is not applicable at all to the situation we have under discussion. Instead of seeking to create goodwill based on trade rather than aid, it seems to me that we would put ourselves in the position of being rather dictatorial, and perhaps even presumptuous, in saying to people who are coming here and paying their own currency, at world prices, for our products, that they must use American bottoms or any other particular form of transportation. That is their problem. That is an incident of trade. I do not think this bill should interfere with it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. Mr. President, so long as the Senator from Delaware has raised an important point and the Senator from Florida is discussing it, if he

cares to continue the discussion I ask unanimous consent that he be permitted to do so.

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield.

Mr. THYE. The question which occurs to me is this: Assuming that we are trading and that we are receiving minerals in payment for commodities which we have and which we wish to trade, is the foreign country going to transport the minerals to us in its ships and, in turn, load the commodities which we are exchanging for the minerals and haul them back to the foreign country? If so, that would be a one-way avenue. In other words, they would haul their product to us, whether it be minerals or something else, and we would receive that product in payment for our agricultural products. Then the foreign country would transport our product back to its shores in the foreign ships. That would be a one-way avenue, from which our merchant marine would receive no benefit. Therefore I say that the philosophy should be that at least 50 percent of the traffic should be transported in our merchant marine vessels.

In the event this program should prove to be a good barter plan, we shall receive some type of merchandise, commodity, or product in payment for our agricultural products, which we are shipping abroad. Therefore we must take into consideration the fact that there will be products going in both directions. If so, our ships should enter into the transaction somewhere, either in bringing the product from the foreign nation to this country, or in hauling back the product which we exchange for it. Somewhere along the line our ships should enter into the picture. Otherwise there will be a one-way avenue. The foreign nation will bring its product over here, take our product, and haul it back home, excluding our merchant marine from ever handling a cargo.

Mr. HOLLAND. Mr. President, there may be some merit in what has just been said by the able Senator from Minnesota, as to the haulage of products which may be purchased by our country with the currency of a foreign nation, from businesses in foreign countries, or from the nation itself with which we are dealing. However, the amendment which has been offered has no relation whatever to transportation in that direction. Let me read the amendment into the RECORD at this time so that it may be very clear that this amendment, which is the standard amendment which has been so well used in acts with respect to which it was properly applicable, applies only to transportation from our shores to the shores of the nation with which we shall be doing business. The amendment, which applies to subsection (a) of section 3, reads as follows:

*Provided, That at least 50 percent of the gross tonnage of commodities made available under this subsection of this act and transported from the United States on ocean vessels, shall be so transported on United*



States flag vessels to the extent practicable, and to the extent that such vessels are available at market rates for United States flag vessels.

I think it must be clearly apparent that the point which the Senator from Minnesota has raised—and I have already said that I think there is merit in it—does not relate to the amendment which we are now discussing. It might be well to have a different type of amendment drafted, which would be applicable to this bill. Such an amendment would not be applicable to any of the aid bills, because they do not involve any shipment back in this direction.

I certainly would have no objection to enacting into law the philosophy advanced by the distinguished Senator from Maryland in his amendment, and so frequently advanced by the distinguished Senator from Washington [Mr. MAGNUSON], so as to make it applicable to shipments coming to this country, of commodities which have been purchased with the currencies of foreign countries, which currencies have come to us in exchange for our commodities which are made available under the terms of the bill. However, the amendment as offered, in my opinion, has no proper application to this bill.

Mr. CASE. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield.

Mr. CASE. Has the Senator from Kansas any idea how long this discussion will continue? At the time the unfinished business, the military construction bill, was laid aside, it was with the understanding that we would return to it when the reports were available from the Government Printing Office. The reports have been received and were distributed several minutes ago. The Senator from South Dakota has been waiting in the hope that action upon the agricultural bill, which he regards as important, would soon be concluded. However, in view of the conference situation which will develop in connection with the military public works bill, the Senator from South Dakota feels, in justice to his responsibility to the Armed Services Committee, that he should request observance of the agreement heretofore made.

Mr. SCHOEPPPEL. Mr. President, I will say to the distinguished Senator from South Dakota that, as I understood the distinguished acting majority leader [Mr. KNOWLAND], when the pending measure was called up for consideration by the Senate, it was with the understanding that when the reports were available in connection with the military public works bill the acting majority leader might desire to suspend consideration of the pending measure and proceed with the consideration of the military public works bill. I will leave that decision to the good judgment of the acting majority leader and the Senator from South Dakota. I do not wish to violate any understanding heretofore made.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I am glad to yield to the Senator from Washington.

Mr. MAGNUSON. I merely wish to point out to my friend from South Dakota, who speaks of the military public works bill, that although that bill is very important, I think the Senator from South Dakota ought to realize that without an adequate American merchant marine, what he is trying to do in connection with the military public works construction bill would mean nothing. The American merchant marine is literally the fourth arm of defense. Without it we have no defense.

I appreciate the suggestions of the Senator from Florida [Mr. HOLLAND], as of last night, that my amendment was probably not applicable to the bill pending at that time. What the Senator from Maryland [Mr. BUTLER] and I are trying to do is to see that, at the least possible cost to the taxpayers of the United States, the American merchant marine shall participate in the business for which we are paying, to a large extent, although that is not quite so true in connection with this bill as in connection with the previous one. Nevertheless, we are making concessions in this instance, which I think are worthy. I am for the measure. It is primarily an aid bill. I think it is a good bill.

However, if the American merchant marine does not participate in this traffic, it simply will cease to exist. I again point out to the Senate, at the risk of being repetitious, that the private American merchant marine—including tankers, dry cargo vessels, and tramp vessels—carried 95.6 percent of all the cargo in World War II. Without it, we would not even have been in that war. When we talk about military construction, we had better start thinking about ships.

Mr. President, if Russia should decide to move militarily, every Member of this body, and everyone else who is informed, knows in which direction she will move first.

Mr. CASE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Just a moment.

If Russia moves, she will move in the Middle East. If we are shut off from the oil supply from the Middle East, there will not be enough ships and enough tonnage in all the free nations of the world to fight a war.

We are trying to keep what we have alive. We subsidize a small portion of the merchant marine. It costs us money. We are merely trying to say what every other maritime nation in the world says. We are merely trying to provide that when shipments of these surplus commodities are made from our country to foreign countries, at least 50 percent of the traffic shall be carried in American-flag vessels. I have been asked, "Why not make it a hundred percent?" That would not be practicable. That is not nearly so practicable as saying, "Please use American-flag ships." Great Britain does it; Norway does it; France, Italy, Belgium, Holland, Japan, and every other maritime country in the world does it. All we are trying to do is to keep our American merchant marine alive and adequate at the least possible cost. In England, under normal condi-

tions, no Englishman would think of shipping a cargo to any place in the world, if an English bottom were available, except in an English ship. That is not true with us. The problem we have had is that we simply do not do it that way. I know the Senator from Kansas and the Senator from Florida are sympathetic, and perhaps the language of the proposed amendment is not applicable to the pending bill. I may sound repetitious, and I may be a complete bore on this subject, but is very important to our country. It is more important than the military bases, although they are both important.

Mr. CASE. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield.

Mr. CASE. Perhaps the Senator from Washington was not present at the time the other bill was laid aside. The military construction bill was made the unfinished business by order of the Senate yesterday. Earlier in the day, upon the suggestion of the distinguished acting majority leader, it was agreed that the construction bill be laid aside pending the receipt of some reports, with the understanding that when the reports were received the Senate would proceed to the consideration of the construction bill.

The Senator from South Dakota is not insisting on a compliance with the agreement. He is merely bringing out the fact that perhaps the discussion on the pending bill could be expedited, but is not insisting on a compliance with the previous agreement. He is not venturing to say that one bill is more important than another, except that from a parliamentary point of view the military construction bill had the right-of-way.

Mr. MAGNUSON. I appreciate that fact.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Kansas yield, and if so, to whom?

Mr. SCHOEPPPEL. I yield to the Senator from Washington.

Mr. MAGNUSON. What the Senator from Florida and the Senator from Minnesota have stated is theoretically correct. However, as a matter of practice, what happens is that when a ship goes out with a cargo and unloads the cargo, as happens under the aid program, it finds another cargo at another port. It may not come back to its own berth, but it finds another cargo somewhere. The same situation is true with respect to a foreign ship, which would unload mainly a dry cargo, such as minerals, and would then find another cargo. Under the 50-50 provision most of the ships would find cargos coming and going.

American ships must come back to their berths whether they like it or not. The subsidized operators must maintain schedules just as a railroad must maintain schedules. All the merchant marine ships are subsidized, and they must maintain a certain schedule. So in a 50-50 provision it amounts to 6 of 1 and a half dozen of another. Ships come in with cargoes and they find other cargoes to take out. Thus a balance is main-



tained, which helps to keep American shipping alive.

Mr. President, I conclude by posing one question: What is wrong with saying to the people who administer the proposed program, or any other governmental program, "When you proceed under this program will you try to put at least 50 percent of the cargoes in American ships?" If anyone can show me that that is wrong, the Senator from Maryland and I will withdraw the amendment.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield to the Senator from North Dakota.

Mr. YOUNG. I should like to point out to the Senator from Washington that we at times are dealing with a barter arrangement. If England purchased 100,000 tons of corn, for example, after the purchase, it would be their property. How can we say to a foreign country, "Yes; you can buy it, but you must haul it in our bottoms?"

Mr. MAGNUSON. We do not say that in our amendment.

Mr. YOUNG. Many of the commodities will be purchased in this country.

Mr. MAGNUSON. When I buy something, it is mine, and I can swim across the Atlantic with it, if I wish to do so, or fly it over.

Mr. YOUNG. Many of the commodities will be purchased f. o. b. some point in this country.

Mr. MAGNUSON. Yes. We say only that if and when our Government participates in the shipment, at least 50 percent of it is to be shipped in American bottoms.

Mr. YOUNG. I do not quite understand the amendment, because most of the commodities will be purchased here.

Mr. MAGNUSON. When title gets into the hands of any person, he is entitled to do anything he wants to do with it. The amendment would not apply to such a case.

Mr. YOUNG. How would the amendment apply?

Mr. MAGNUSON. When the Government ships commodities to other countries, many of the manifests, as a practical matter, when they are made out, are made not necessarily f. o. b. berth in the United States, but are sometimes made subject to the berth where the cargoes are being shipped.

Mr. YOUNG. This is not a giveaway program. We are selling the commodities, not giving them away.

Mr. MAGNUSON. But I might buy commodities under this program, and I could say, "I want my purchase laid down on Liverpool dock." That is a common trade practice.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield.

Mr. BUTLER of Maryland. Why should not the bill be amended to provide that the commodities be free on board at the port of delivery? That would answer the question.

Mr. SCHOEPPPEL. I direct the attention of the Senator from Maryland to page 2, line 10, which states: "Free on board vessel American ports."

Mr. BUTLER of Maryland. If we amend the bill to make it free on board European port or port of delivery we will accomplish our purpose. Then we can insist on it, and we should insist on it. There is some element of give away in this program. The reason I say there is some element of give away in the bill is that if there were no element of give away why should we put a ceiling on the amount to be expended under the program. We know we are going to lose a certain amount of money because of the soft currencies which will be taken in exchange, and we know that the American taxpayers will pay the loss. I do not see any reason, if we are to protect America's interests, why we can not make a deal with the foreign nation and say, "If you want our commodities at cheap rates on the basis of your paying your own currencies for them, we insist upon putting the commodities down on your wharf in your own country, at least we insist that that be done in at least 50 percent of the cases."

Mr. MUNDT. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I yield.

Mr. MUNDT. I believe the Senator from Maryland is carrying the philosophy of the Senator from Washington too far, and extending it to an impossible degree. The Senator from Washington pointed out that if a deal were made by which the goods were delivered in a foreign country in its own ships, he had no objection. He was trying to make sure that if the deals are made on this side the shipments would be made in American ships.

Mr. MAGNUSON. That is correct. I would imagine that the great bulk of the deals would be made under common trade maritime practice, in which the owner would say, "Delivery berth Liverpool," for example. Many foreigners do not like to deal with transportation. Many brokers and buyers and barterers would like to do it that way.

If I bought something under the act f. o. b. dock 53 in New York, the grain elevator in Newark, or in San Francisco, I could do it that way because it is my property.

Mr. MUNDT. The Senator from Washington is not trying to prevent the foreign purchaser from shipping the commodities to his country in any way he desires to ship them.

Mr. MAGNUSON. No. Probably in the normal course of maritime trade, he would take the available space. It might be an American ship or a French ship, for example.

Mr. MUNDT. Of if he has his own ship available, and he could ship it more economically in his own ship, he would do it.

Mr. MAGNUSON. That is correct.

Mr. MUNDT. We do not want to have in the bill something which would make it impossible to deliver the goods, such as by fixing a high transportation rate, which would destroy the whole opportunity for barter.

Mr. MAGNUSON. What the Senator from Maryland and I are trying to do—and I have been trying to do it for many years—is what we have discussed this

afternoon, and I hope the day will soon come when we will stop the kind of dumping which was practiced by the Japanese prior to World War II.

We should have an international rate fixed like the Pacific conference and the Atlantic conference. In that way there could be used whatever cargo space was available.

Mr. MUNDT. Let us see if we can understand exactly what the Senator from Washington has in mind, and whether the Senator from Maryland shares the same point of view.

Mr. MAGNUSON. The bare wording of the amendment which I have submitted on many occasions to foreign-aid bills probably should be changed somewhat so it will fit into what we are trying to do by the pending bill.

Mr. MUNDT. Yes; because it is not a giveaway program. It is a sales program and an exchange program. It is altogether different from ECA and MSA, and certainly different from what we did yesterday by the passage of Senate bill 2249, making available to the President agricultural commodities to assist in meeting famine or other urgent relief needs of friendly countries.

We understand that the purpose is to include in the bill, or in the report, a provision for an understanding with the Administrator that in connection with purchases of goods for delivery f. o. b. at American ports, 50 percent of the goods shall be shipped in American bottoms. Of course, such a provision will not apply to goods purchased abroad.

Mr. MAGNUSON. I do not think it could apply to goods of that type.

Mr. MUNDT. Is that the purpose of the Senator from Washington?

Mr. MAGNUSON. Yes. Of course, trade practices will determine the matter; and in most cases the buyers will say, "We will trade or barter under this act, and the goods are to be delivered at a certain wharf f. o. b., Liverpool or Brest," or whatever the port may be. Then the Administrator will have a great deal to say about how the goods will be moved; and when the United States Government participates in that manner, at least 50 percent of the goods should move in American bottoms.

Mr. MUNDT. Yes; for our Government will have control of that.

Mr. MAGNUSON. It will not always have control. Perhaps the commodity involved will be in a grain elevator or warehouse, and so forth.

At any rate, let me say that I am in favor of the bill.

Mr. MUNDT. In any event, we could not require that all the goods be shipped in American bottoms.

Mr. MAGNUSON. No; we could not require that to be done.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Kansas yield to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Kansas yield to the Senator from Maryland?

Mr. SCHOEPPPEL. I yield.

Mr. BUTLER of Maryland. First, Mr. President, I wish to say that the senior Senator from Massachusetts [Mr. SAL-



TONSTALL would be here, taking part in the debate, but for the fact that he is required to conduct hearings which are being held by a subcommittee of the Appropriations Committee. He is in accord with the purpose of the amendment, he wishes to have American ships used to carry the cargoes, insofar as possible.

In connection with this matter, I should like to ask a question: Should we, without making the most complete study, establish such a national policy? In that connection, I read from page 1 of the bill:

SEC. 2. It is hereby declared to be the policy of the Congress—

And so forth. That is rather broad and sweeping language. Should we declare it to be the policy of the Congress to dispose of our agricultural surpluses on such a basis as proposed by this bill, without having full and complete hearings, including testimony from all our governmental agencies that may be interested?

Mr. SCHOEPPPEL. I say most sincerely that I think this measure has received consideration by Members on both sides of the aisle, who earnestly realize that a definite problem does exist. The various executive departments of the Government have considered the bill. For instance, the State Department has considered it. The Foreign Relations Committee has considered it—as shown by some of the hearings of that committee. They recognize that there is a problem.

If we do not provide an opportunity to engage in such a very worth while venture—after all, we have large agricultural surpluses, and we must consider the way trade channels are developing, including some of the relationships with countries behind the Iron Curtain—I think we shall be making a tragic mistake.

This bill does not involve a give-away program. The program under the bill is a dollar-and-cents program, involving exchange with the currencies of other countries. This bill will be a good-will measure, and will enable the people of such foreign countries to obtain, probably for the first time under good business practices, United States products, such as wheat, corn, and other agricultural commodities which we have in surplus supply. We shall not be giving away those commodities.

Mr. THYE. Mr. President, will the Senator from Kansas yield to me?

Mr. SCHOEPPPEL. I yield.

Mr. THYE. In the case of any commodity purchased f. o. b. a United States port, we would have no jurisdiction and we could not request that a certain percentage of the commodity be shipped in American bottoms. But if there were an exchange or trade with Finland, whereby we would take paper pulp from Finland, and Finland would take our wheat or corn or fats or oils in exchange, the pulp might be transported to the United States in a foreign ship. If the same foreign ship took one of our surplus agricultural commodities to Finland, the result would be to deny employment to American shipping.

Similarly, Great Britain might barter with us for rubber, in exchange for some of our surplus agricultural commodities. The British might ship the rubber to the United States from Malaya or from some other rubber-producing area. The question is whether the same ship that brought the rubber to the United States would transport to a foreign port the United States surplus agricultural commodities which were exchanged for the rubber.

We should only concern ourselves with commodities which we use for trading purposes. If a foreign country purchased a United States agricultural commodity f. o. b. Duluth or New Orleans or some other United States port, we would not be able to do much about having United States shipping used in that connection. But in connection with a trade or barter, we wish to make certain that United States shipping is utilized.

After all, this bill relates to exchanges. The bill not only authorizes sales for foreign currencies, but it authorizes trade. I think the bill is an excellent one. I believe we are writing good American commonsense into a legislative proposal, so as to make it possible for barter to occur in much the same way that individuals have learned to trade or barter among themselves. That is a good, old American custom, and certainly it is well for us to provide for it in connection with foreign trade and commercial operations.

However, we do not wish to make it possible for all those operations to be handled by foreign vessels, with the result that the commodities produced abroad would be transported to the United States in foreign vessels, and the United States commodities would be taken back to the foreign countries in foreign vessels, for in that event our ships would have no business, and would be tied up in our own ports. That is the only point I make.

Mr. SCHOEPPPEL. Mr. President, the Senator's point is well taken.

Mr. MUNDT. Mr. President, will the Senator from Kansas yield further to me?

Mr. SCHOEPPPEL. I yield.

Mr. MUNDT. Let me say that I think all of us are in general agreement as to the purpose of this measure. I have just had private conversations on the floor with the distinguished Senator from Maryland [Mr. BUTLER] and the distinguished Senator from Washington [Mr. MAGNUSON]. It has been agreed among us that if we can bring this record, as we shall, to the attention of the Administrator, the intent of Congress will be clear.

But because of the nature of the complicated proceedings by means of which the bill will operate, it is difficult to manifest the will of Congress by means of an amendment, without going too far either one way or the other.

So they have agreed to withdraw the amendment, with the understanding that the Administrator will be bound by the congressional intent, as disclosed in this colloquy, which is very clear, namely, that wherever possible, American-flag ships will be used.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Kansas yield to me?

Mr. SCHOEPPPEL. I yield.

Mr. BUTLER of Maryland. Before I withdraw the amendment—and I shall be very happy to do so—I desire to point out that I do not wish the Senate to think that I have made up my mind that this bill is not a good one. I am simply seeking information about the bill. I have not made up my mind about it, by any means.

In connection with a bill of this kind, I believe it may be somewhat dangerous for us to establish this policy as "the policy of the Congress." If we wish to try out the policy, to the extent of investing \$500,000,000 very well; but let us not say it is the national policy to handle on surpluses in the manner set forth in the bill.

Mr. President, I now withdraw my amendment.

Mr. SCHOEPPPEL. Mr. President, the point made by the Senator from Maryland is well taken. Let me point out that the act is limited to June 30, 1955. So it is limited in that way.

Mr. BUTLER of Maryland. Yes. But the bill provides that—

It is hereby declared to be the policy of the Congress—

To dispose of our agricultural surpluses by means of this method. On the other hand, there may be many other methods, and some of them may be more expeditious and better. Therefore, let us not establish this as the national policy. If we wish to proceed in this way, all right; but let us not make it the national policy.

Mr. SCHOEPPPEL. I thank the Senator from Maryland.

FOREIGN NATIONS PAY IN OWN CURRENCY THEN DEBIT US FOR MATERIALS WE BUY FROM THEM

Mr. MALONE. Mr. President, will the Senator from Kansas yield to me?

Mr. SCHOEPPPEL. I yield to the Senator from Nevada.

Mr. MALONE. Mr. President, in a bill of this kind, one of the things we are trying to get away from is the idea that one commodity is to be traded directly for another commodity.

On the contrary, the currency of the foreign country is simply to be taken at the world rate of exchange and credit given this nation; and thereafter when we purchase any commodity in the country in which that currency is used, we shall be debited in the amount paid for such commodity at the then current world rate of exchange for the currency in terms of the dollar.

In this connection we are taking a banker's chance, for the particular country concerned might print so much of its currency that it would depreciate in value between the transactions.

In this connection we are really acting as a banker for the foreign countries concerned.

BETTER THAN THE GIVEAWAY PROGRAMS

But it is eminently better than the giveaway program which has cost us \$45 billion since World War II—without hope of return of any kind—even friendship or appreciation.



## NOT BARTER

This proposal amounts to what might be called barter, though it is not barter. We take a chance on the currencies of the world fluctuating between transactions.

Mr. President, if it would meet with the approval of the distinguished Senator from Kansas, I should like to join him in sponsoring the pending bill.

Mr. SCHOEPPPEL. I should be very glad, indeed, to have the Senator from Nevada add his name as a cosponsor of the pending measure. I ask unanimous consent that that may be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. Mr. President, from the beginning of the giveaway programs—the Marshall plan—1948, I have argued that we should deal on the basis of a quid pro quo, as this legislation provides. At different times I have offered amendments to giveaway legislation since 1948—notably to the dollar giveaway to India to buy wheat—but the Congress and the administration was in a head-long rush to divide the wealth of this Nation with foreign countries and would not listen to reason. I think we are now on the right track.

The domestic policy of this Nation should be based upon maintaining our economic structure—our wage standard of living.

Our foreign policy should be based upon the ultimate security and safety of the people of this Nation.

Mr. SCHOEPPPEL. I appreciate very much the remarks of the Senator from Nevada.

Mr. MAGNUSON. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I am glad to yield to the Senator from Washington.

Mr. MAGNUSON. I wonder whether the Senator would agree, in this particular case, to place in the debate on the bill a statement to the effect that wherever the transportation of items bartered or sold under the bill, and wherever the transportation is under the control either of the President or of the Commodity Credit Corporation, it is the sense of the Congress that provision be made for the transportation in American cargo vessels of 50 percent of the commodities of products.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield.

Mr. HOLLAND. I approve completely the suggestion made by the distinguished Senator from Washington. I am as anxious as he is about this matter. But I believe that is about as far as we can go without interfering with the objectives of the pending bill. As I understand the suggestion of the Senator from Washington, it is that the record may show that it is the sense of the Senate, in passing this bill, that when the President or the Commodity Credit Corporation, are, in the course of dealing, shipping goods, either from the United States to countries overseas, or from countries overseas to the United States, or back anywhere else, this principle, which has been appended so successfully to many of the aid bills, the principle of using not less

than 50 percent by tonnage of American bottoms in that transportation, shall apply. I think that is about as far as we can go.

Mr. MAGNUSON. I think that would be a directive to the Commodity Credit Corporation in the case; and there will be many such shipments.

Mr. SCHOEPPPEL. I may say to the distinguished Senator from Washington that I would be glad to accept that suggestion.

Mr. MAGNUSON. I thank the Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUTLER of Maryland. Mr. President, did the committee give any thought to having the Administrator report back to the Congress, perhaps every 3 months or every 6 months, on the operations under the bill?

Mr. SCHOEPPPEL. The bill so provides. It provides that he shall make such reports at least once in each 6 months, and at such other times as may be appropriate. That is set forth on page 4, in lines 5, 6, 7, and 8.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield to the Senator from Florida.

Mr. HOLLAND. I am wondering whether the Senator from Kansas does not recall, and will not at this time state for the RECORD, the fact that the Senate Committee on Agriculture and Forestry has during this session conducted many days of public hearings on the general subject of the shrinkage in the exportation from this country of our agricultural products, and that the pending bill, written as a composite of numerous bills introduced since the beginning of the session by various Senators, represents the consensus of the members of the committee as to the best approach that can be made to the problem of restoring foreign trade to American-produced agricultural products.

Mr. SCHOEPPPEL. The Senator from Florida is entirely correct. The Senate Committee on Agriculture and Forestry has conducted many, many days of hearings on numerous bills, having before it many experts who had opinions to express; and the pending bill represents the composite of a number of approaches to what we considered might be the workable answer to the problem.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. SCHOEPPPEL. I yield further to the Senator from Florida.

Mr. HOLLAND. Is it not true that the pending bill is not an aid bill, but is a trade bill designed to recognize realistically the fact that the world is divided into various camps so far as currency is concerned, and that our Nation, to a limited extent—the amount prescribed here representing values of \$500 million—should attempt to break across or cut across the lines that divide the dollar countries from the pound sterling countries and other countries that employ still other currencies, in an effort to find a way by which we can trade, notwithstanding the differences in currencies?

Mr. SCHOEPPPEL. The Senator from Florida is correct.

Mr. BUTLER of Maryland and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kansas yield; and, if so, to whom?

Mr. SCHOEPPPEL. I believe the Senator from Maryland rose first. I yield to him, after which I shall be glad to yield to the Senator from Tennessee.

Mr. BUTLER of Maryland. In order to protect the interests of the United States and to insure that this measure is not administered as an aid bill, but as a trade bill, would the Senator from Kansas be willing to accept an amendment which would give the Congress the right, at the end of any 6 months' period, to discontinue operations under the bill, by concurrent resolution?

Mr. SCHOEPPPEL. I do not know the exact parliamentary procedure or the legal procedure, but I would naturally assume that the Congress, in its wisdom, and by a majority vote, could put legislation on the statute books, and by proper and necessary legislation, could modify the whole of a statute, or change it, with, of course, the consent of the President of the United States, at any time such matters came before it in proper form.

Mr. BUTLER of Maryland. But is it not true that the President could veto the measure, and that it would then require a two-thirds vote of the Congress to override the veto?

Mr. SCHOEPPPEL. That is correct.

Mr. BUTLER of Maryland. If we could take action by way of a concurrent resolution, then control would be retained in the Congress, and we could then make certain that it was truly a trade bill, not an aid bill.

Mr. SCHOEPPPEL. I may say it is obviously the intention that it shall be a trade bill, not an aid bill.

Mr. BUTLER of Maryland. It is intended that it shall be a trade bill, but it has an expiration date of June 30, 1955.

Mr. SCHOEPPPEL. That is correct.

Mr. BUTLER of Maryland. Why should we not be able to protect ourselves in the meantime, if our losses appeared to be greater than we had contemplated under the operation of the bill?

Mr. SCHOEPPPEL. I do not know exactly how to answer the question of the Senator from Maryland on that point. I should think that, with the Senate and House coming back into session next January, certainly we ought to give the administrative agency or agencies, as well as the President of the United States, an opportunity to see whether the problem involved can be approached honestly and worked out by means of this measure.

Mr. BUTLER of Maryland. Would the Senator from Kansas be willing to have an expiration date set, for example, as of June 1 next year?

Mr. SCHOEPPPEL. I assure the Senator that I hope the utmost effort will be made to make this piece of legislation work in a satisfactory manner, and that it will be handled in the best, most



businesslike manner. I would want nothing short of that, and I feel sure the Senator from Maryland would not want anything less than that.

I certainly would say that so far as I am concerned I would not stand in the road if Congress, in its collective wisdom and judgment, found the act was not working well and that it should by proper procedure be expunged from the statute books. But I want to give it an opportunity to work.

Mr. BUTLER of Maryland. It would be in the hands of Congress, where the purse strings ought to be.

Mr. THYE. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I yield.

Mr. THYE. I cannot conceive that if both legislative bodies proposed to abolish the act, the President of the United States would go contrary to the will and the judgment of both sides. When it comes to a situation where Congress wanted to repeal an act, I could not conceive that the President would go against the will of the two Houses of Congress. Public opinion would destroy the President if he were trying to continue the exchange of agricultural commodities when both Houses of Congress wanted to repeal the act.

Mr. SALTONSTALL. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I yield to the Senator from Massachusetts.

Mr. BUTLER of Maryland. I should like to be permitted to answer the Senator from Minnesota.

Mr. SCHOEPPPEL. I shall be glad to yield to the Senator from Maryland, but I want, first, to give the Senator from Massachusetts an opportunity to say something. Then I shall be happy to yield to the Senator from Maryland.

Mr. SALTONSTALL. I appreciate that very much. I wanted to assure myself that the Senator from Kansas believes the RECORD is clear that as many agricultural products as may be possible will be shipped in American bottoms.

Mr. SCHOEPPPEL. I will say to the distinguished Senator that the RECORD is exceptionally clear on that point, as it should be.

Mr. SALTONSTALL. I thank the Senator.

Mr. SCHOEPPPEL. I now yield to the Senator from Maryland.

Mr. BUTLER of Maryland. I want to say to the Senator from Minnesota [Mr. THYE] that the matter which he brought into the debate is completely foreign to my thoughts on the subject.

I would not think for a minute that President Eisenhower would do anything wrong, but the point is whether this is a trade bill or an aid bill. It has nothing to do with the President of the United States. It is simply a question of policy. If there are those in the executive branch who want to make it an aid bill they can do it; if they want to make it a trade bill they can do it. If it turns out to be an aid bill, we can cut it off.

Mr. ANDERSON. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I yield.

Mr. ANDERSON. The junior Senator from North Dakota asked me a moment

ago to say something about some experiences we have had with agricultural commodities, and the Senator from Florida again reminds me of it.

It is very difficult to judge these things in a few months. I believe the bill should be a trade bill, but I should like to tell the Senate about an experience in connection with a stock of cotton which was the ragtag, tail end of several years of cotton-loan operations. We had several million bales of cotton which no one would take under the loan. It was cotton which was unworkable in this country. The mills had taken the good cotton out from under the loan, and we had no way in the world of moving this particular cotton. Some of it was stored in ball parks; most of it was stored in the open; everything that could happen to it had happened to it. There was formed a committee of experts who knew all about cotton; they knew what could be woven in mills all over the earth. They knew that some of the mills were not in working shape, and it became necessary for the Department to set up a committee.

The cotton was sent to Japan. We did not have the benefit of this type of legislation. It was sent to Japan on pretty flimsy receipts. General MacArthur merely gave the committee a receipt for so many hundreds of thousands of bales. The law provided that there must be dollars, but General MacArthur wanted to put the Japanese mills back into operation, and he did. There was no money to pay the workers, but he was able to give them so many yards of cloth as it came from the loom. It was woven in patterns which would appeal to the people of the Philippine Islands and elsewhere. It was traded to the Philippine Islands. It was bartered for copper, and that finally found its way to Greece, being paid for by people in this country who wanted to provide relief to Greece. The dollars finally got back into the Treasury. It was a matter of approximately 14 months. It was trade; it was not aid. I conceive this bill to be a trade bill, and I pledge the Senator from Maryland that I shall stand right with him to stamp this bill out if it is not used for trade.

The junior Senator from Minnesota and I had been talking about this matter for a long time, and he finally came to me and said, "Why not introduce a bill?" He and I, finally, jointly introduced one of the bills which have been grouped together into this general subject.

We had another example. This is somewhat contrary to rules, Mr. President, but, if I may be permitted to do so, I should like to relate an experience we had with tobacco.

The British went on an austerity program at one time and announced that they would not take American shipments of tobacco. The tobacco producers in the Carolinas had a terrible time. I thought they were going to run themselves crazy and run me crazy, too. Tremendous quantities of tobacco had been packed particularly for the British trade. It is packed in a different pattern from the way in which it is packed for use in this country. We thought we

would have to cut the tobacco quotas to nothing, but it developed that the Spanish tobacco monopoly wanted the tobacco. We had a State Department at that time which was not friendly, let us say, toward the idea of trading with the Spanish Government, but, so far as I knew, the Commodity Credit Corporation had no instructions not to trade with the Spanish tobacco monopoly. It was government-owned, but we had no instructions about it; therefore, we traded with the Spanish monopoly and sent them nearly all the tobacco intended for Great Britain. They gave the Commodity Credit Corporation a credit in the Chase National Bank, in pesetas. The loan was retired at the Chase National Bank, and the dollars found their way back into the Treasury of the United States. It took 18 months, but the money came back.

Therefore, I think I would support the Senator from Kansas by saying that I cannot conceive of the President not stopping the operation of the law if Congress said by an overwhelming vote that it should be stopped.

Many of us believe the problems connected with some of the agricultural surpluses can be solved if we are willing to take the types of currencies foreign nations have to offer and move them around the world. I agree with the Senator from Maryland that this ought to be a trade bill, and I have related two instances where we had to trade commodities around. It took 14 months in one instance, and 18 months in the other instance.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I yield.

Mr. BUTLER of Maryland. I have every confidence in the President of the United States, and I am perfectly willing to let him handle this program, but I think we should advise him we want this to be a trade bill.

Mr. SCHOEPPPEL. The Senator from Tennessee [Mr. GORE] has been most kind. I apologize for not having afforded him an opportunity to enter into the colloquy previously. If he desires to have the floor in his own right, I shall be glad to yield to him. I know that he was interested in one matter in the bill that was of a clarifying nature.

Mr. GORE. I thank the Senator from Kansas for his generous reference. I have enjoyed the debate which he has so ably led.

Mr. President, I desire to offer an amendment either in my own time or in the time of the distinguished Senator from Kansas, if he will yield.

Mr. SCHOEPPPEL. I yield the floor.

Mr. GORE. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, lines 14, 15, and 16, it is proposed to strike out the following: "and within the limits of funds made available by the Congress for this purpose."

Mr. GORE. I believe the amendment is necessary to remove some ambiguity



in the bill, and to assure that operations can be started immediately, without awaiting an appropriation to be made by the next session of Congress. I hope the distinguished Senator from Kansas will accept the amendment.

Mr. SCHOEPPPEL. The amendment offered, by the distinguished Senator from Tennessee is a clarifying amendment. I appreciate his raising the question. The amendment will be accepted.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, as one who has been very much interested in the proposed legislation, I wish to associate myself with the philosophy which has been expressed on the floor of the Senate several times, namely, that this is a trade bill. A few days ago the Senate passed an aid bill in terms of famine assistance and for critical requirements and needs, in order to exercise compassion and humanitarianism, and to strengthen our foreign policy.

I hope the operation of the pending bill will be very carefully watched. As I understand, the reports to be made every 6 months will give Congress that opportunity.

I feel that the United States is now entering upon an era of international trade that may yield great dividends for us. On June 9 of this year it was my privilege to address the Senate on some of our trade problems. For more than 5 months, with the assistance of the Library of Congress, I had collected material from newspapers, pointing out exactly what the Soviet Union has been doing to bring about trade agreements which have cut deeply into the normal trade of the Western World.

I see in this measure a sincere and, I believe, a very worthy attempt to reestablish the balance of trade, or, I should say, the normal avenues of trade which the United States should have. The bill gives to the United States Government and to traders and exporters within our country an opportunity, as the Senator from New Mexico [Mr. ANDERSON] has said, to meet a variety of currencies, to deal in those currencies, and, at the same time, by careful trading, to convert them finally into dollars, which is our form of currency.

We are constantly confronted with problems of hard currency and soft currency. As a hard-currency country, and as an exporting country, it is necessary for us to be ingenious. In this legislation, I see an opportunity afforded to our Government to be as ingenious in the field of trade as we have been in the field of science and technology. I hope the means provided in the bill will be utilized, with the thought in mind, not simply of disposing of surpluses, but of reestablishing the highest type and the finest kind of trade operations throughout the world. I think we have this chance. I strongly support the measure, and I commend the committee for reporting it promptly to the Senate.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. The Senator from Minnesota recently proposed an amendment along this very line. Some Senators said then we were in sympathy with it, but we wanted it to be referred to the Committee on Agriculture for study. I was one who voted against the amendment of the Senator from Minnesota, but I was not voting against what he was proposing. I was trying to establish the theory that the amendment should go to the committee, and then be discussed on the floor. I believe this is a worthwhile bill, and I am glad to know the Senator from Minnesota is supporting it.

Mr. HUMPHREY. I think the position of the Senator from New Mexico was correct. One can always get a much better idea of conditions by looking backward than by looking forward. There is no doubt that the processing of an amendment through a committee is the better procedure. I believe the many ideas which have come forth indicate that Congress is seriously concerned about the problem, and that something good will result.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

#### MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 28, 1953, the President had approved and signed the following acts:

S. 122. An act directing the conveyance of certain property to the city of Rupert, Idaho; and

S. 556. An act for the relief of Marinella Taletti.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### AUTHORIZATION FOR CERTAIN CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS

The Senate resumed the consideration of the bill (S. 2491) to authorize certain construction at military and naval installations and for the Alaska communications system, and for other purposes.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Do I understand correctly that the unfinished business is Calendar No. 673, Senate bill 2491, the military and naval construction bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. I suggest the absence of a quorum.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. Mr. President, it was my privilege to report the military public works construction bill from the Senate Committee on Armed Services.

The bill first introduced was Senate bill 2361. The bill which has been reported is Senate bill 2491, because the committee desired to present the Senate with a complete text of a new bill, without numerous committee amendments.

The bill is a consolidation of three bills: First, the construction bill, which was introduced under the number I originally stated, Senate bill 2361; the Alaska communications bill; and a rescission bill.

On behalf of the committee I desire to submit 4 or 5 committee amendments which correct certain totals.

The PRESIDING OFFICER. The amendments offered by the Senator from South Dakota on behalf of the committee will be stated.

The LEGISLATIVE CLERK. On page 12, line 8, after the word "facilities" and the comma, it is proposed to insert "land acquisition, utilities."

On page 12, line 8, it is proposed to strike out "\$317,000" and insert "\$1,766,000."

On page 30, line 5, it is proposed to strike out "\$62,681,000" and insert in lieu thereof "\$61,687,130."

On page 30, line 9, it is proposed to strike out "\$239,943,000" and insert in lieu thereof "\$241,392,000."

On page 30, line 12, it is proposed to strike out "\$268,030,000" and insert in lieu thereof "\$269,509,000."

Mr. CASE. Mr. President, I ask unanimous consent that the amendments which I have offered on behalf of the committee be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing en bloc to the amendments offered by the Senator from South Dakota on behalf of the committee.

The amendments were agreed to.

Mr. CASE. Mr. President, this bill has six titles. The first three titles deal with authorizations for new military construction in the Army, the Navy, and the Air Force, respectively. Then there is a title dealing with Alaska communications; then a title on general provisions; and title VI, on rescissions.

This is a unique bill, in which the Committee on Armed Services is proposing rescissions in the three armed services which are in excess of new authorizations proposed.

The committee report on the desks of Senators gives a fairly complete picture of what the bill does. I particularly invite attention to the table at the top of



page 2, which gives a summary of committee action.

Senators will note that in the first column there is shown the amount of new authorizations requested for each of the services. In the second column is shown the new authorizations approved; and in the third column the reduction. From this table it will be noted that a total of new authorizations was proposed in the amount of \$533,903,000. The committee is reporting new authorizations in the amount of \$490,146,930, making a reduction of \$43,756,070.

In rescissions there are proposed, with the approval of the Secretary of Defense and the representatives of the three services, rescissions in the military departments of \$757,148,525, and \$1,403,255 for the Alaska communications system, making a total rescission of \$758,551,780, which, subtracting the new authorizations, makes a net decrease in outstanding authorizations of \$268,404,850.

The next table on the same page is also significant, and attention should be directed to it. This shows that as of July 1, 1953, each of the services had unfinanced authorizations in the following amounts: Army, \$360 million; Navy, \$177 million; Air Force, \$2,011,000,000, making a total of \$2,548,000,000 in unfinanced authorizations for public-works construction.

There were unobligated appropriations as of the same date for the three services in the following amounts: \$983,497,000 for the Army; \$466,731,000 for the Navy; and \$1,712,442,000 for the Air Force.

Under their rate of obligation, this means that the Navy would have funds enough to carry on for 14 months at the average rate of obligation for the past year. The Army would have enough money to carry on through fiscal years 1954 and 1955—that is, to carry on construction at the rate which had been followed. The Air Force would need additional money to fund the authorizations previously made and those contained in this bill; but with \$1,700,000,000, it would need, it was estimated, \$371 million. The committee, I think, is of the opinion that possibly not even that much will be necessary, but they are submitting a request for that amount to the Appropriations Committee.

In other words, this table, taken in connection with the other table on authorizations, makes clear that it will not be necessary to provide additional funds for the Navy or for the Army to accomplish the construction proposed by the new authorizations.

With that picture of the general figures involved in the bill, I desire to state that the Subcommittee on Real Estate and Military Construction of the Armed Services Committee consisting of the Senator from Pennsylvania [Mr. DUFF], the Senator from Mississippi [Mr. STENNIS], and myself, were asked to conduct hearings on the new authorizations. We gave a full and complete hearing with respect to every line item proposed in the bill. We were not able to go into great detail with respect to all the items, perhaps, embraced in the line items, but we did have a statement, and we present

to the Senate a statement in the hearings on the bill, dealing with each line item in the bill.

To be sure, the rescissions and the new authorizations are separate; and if Senators wish to follow the subject in the hearings it will be necessary to take the particular line item and realize that we considered the authorization and the rescission together, so that in each paragraph will be found the total story for the particular line item.

Upon viewing the large sums of unfinanced authorization and unobligated appropriations for military construction, the committee's immediate impression was that the military departments would not suffer if no new construction authorization were granted at this session of the Congress. Closer examination disclosed that the existing unfinanced authorization is for designated items of construction at specific locations and that in many instances neither the items nor the locations are those most needed to support the present missions of the departments. Three considerations were persuasive in committee deliberations and subsequent decision to report this bill.

First. The military departments agree to rescission of unfinanced authorization in an amount greater than the new authorization proposed to be granted by this bill.

Second. The enactment of this bill would not generate new appropriations requests at this session of the Congress, except in the case of the Air Force, which has already requested \$371 million in supplemental appropriations in order to have sufficient obligational authority during the next fiscal year to proceed with construction presently authorized and that which would be authorized by this bill.

Third. The items proposed for construction by this bill have apparently been carefully screened and reduced by the Office of Secretary of Defense.

I may add that Mr. Frank R. Creedon, Director of Installations, was present throughout our hearings, and repeatedly during the hearings we asked him specifically if he had approved the unit costs proposed in the estimates set up for the different authorizations, and he stated that he had. The items then were presented not merely with his concurrence, but with his definite statement on that score. In the case of the Air Force, a request for \$2,800,000,000 was reduced to \$285,628,000. The Navy request was reduced from \$1,300,000,000 to \$96,138,000, and the Army request was reduced from \$682 million to \$145,620,000.

Notwithstanding the several reviews to which this authorization request has been subjected, each line item included by the bill has been examined within the committee for essentiality and reasonableness of cost. While a timely submission of the bill would have been desirable in order that an even more intense study could have been given to the items it comprises, the committee has reviewed the requests to the extent of its capabilities within the allowed time.

I may state that we had several long sessions during the past week, and so

far as possible, this week also, in connection with the screening, and the committee submitted its report to the full Committee on Armed Services.

The committee has added to the bill a title authorizing the Secretary of the Army to construct installations and facilities for the Alaska Communication System in the amount of \$1,404,800. This construction authorization was proposed as a separate bill S. 2375, which would have authorized new construction in the amount of \$4,517,000 and rescinded existing authorization for the system in the amount of \$1,403,255. The committee received testimony that \$1,404,800 is presently available in unobligated appropriations for the purpose of accomplishing construction for the Alaska Communication System. The new authorization proposed for the system by this bill is \$1,404,800, which sum will enable the prosecution of construction in this amount from appropriations already available. Moreover, existing authorization for the Alaska Communication System in the amount of \$1,403,255 is rescinded, so that the new increase in outstanding authorization for the system is \$1,545.

The committee has added as title VI of this bill rescissions of existing construction authorization for the three military departments of \$757,148,525. The amounts proposed for rescission arise from two sources:

First. Certain projects have been constructed for less than the amount authorized, making possible the rescission of the difference between the actual cost and the authorization.

Mr. President, I may state that Senators who are interested in knowing how much was accomplished by savings in dollars by letting contracts in amounts below the estimates, will find in the hearings a definite statement as to how much was accomplished by such savings and how much by the elimination of certain units such as barracks or laundries which are not needed, and how much was needed as a result of a change in the mission. In some instances the Defense Department has converted an airbase, for example, from an interceptor base to a fighter base or a heavy bomber or a medium bomber base. These adjustments are reflected in the changes of authorizations proposed.

Second. Certain projects and items deemed essential at the time authorized have been deleted in favor of other projects and items deemed more essential under present circumstances.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. CASE. I am very glad to yield to the Senator from New Jersey.

Mr. HENDRICKSON. Has the distinguished Senator from South Dakota stated the amount of the total authorization in the bill?

Mr. CASE. The total authorization proposed in the bill is \$490 million plus.

Mr. HENDRICKSON. I thank the Senator.

Mr. CASE. The total rescissions proposed are \$757 million plus. In summary, the bill proposes new authorizations in the amount of \$491,595,930, which, broken down, are for the Army,









83<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 2475

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IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1953

Referred to the Committee on Agriculture

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## AN ACT

To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Agricultural Trade  
4       Development Act of 1953".

5       SEC. 2. It is hereby declared to be the policy of the  
6       Congress to use agricultural commodities in excess of market  
7       demands to expand free world economies by promoting ad-  
8       ditional trade and strengthening the economies of cooper-  
9       ating nations.

10       SEC. 3. In furtherance of this policy the President is

1 authorized, in accordance with the provisions of section  
2 550 (b), (c), (d), and (e) of the Mutual Security Act  
3 of 1951, as added by Public Law 118, Eighty-third Con-  
4 gress, first session, to—

5 (a) make excess agricultural commodities hereto-  
6 fore or hereafter acquired by the Commodity Credit  
7 Corporation, available for sale, and to deliver such com-  
8 modities as may be sold at such times, in such quantities,  
9 and at such places within the United States, including  
10 free on board vessel American ports, as the President  
11 may direct, and

12 (b) direct the Commodity Credit Corporation, from  
13 any funds available to it and subject to terms and con-  
14 ditions prescribed by the President, to convert into dol-  
15 lars the foreign currencies received by exporters in pay-  
16 ment for the sale of excess agricultural commodities  
17 which have been sold by exporters pursuant to this  
18 section:

19 *Provided*, That the total value of Commodity Credit Cor-  
20 poration stocks made available under (a) above, together  
21 with the expenditure under (b) above, shall not exceed  
22 \$500,000,000.

23 SEC. 4. Excess agricultural commodities shall be those  
24 determined by the Secretary of Agriculture to be in excess of



1 probable domestic and export sales plus a reserve for working  
2 stocks.

3 SEC. 5. The President shall administer the provisions of  
4 this title so as to export the maximum quantities of agricul-  
5 tural commodities with the funds made available to him for  
6 this purpose.

7 SEC. 6. For the purpose of making payment to the Com-  
8 modity Credit Corporation for funds or commodities made  
9 available by it to carry out the provisions of this Act, there  
10 are hereby authorized to be appropriated to the Commodity  
11 Credit Corporation, out of any moneys in the Treasury not  
12 otherwise appropriated, such sums as are equal to the Cor-  
13 poration's investment in such commodities, including  
14 handling costs, plus the costs incurred in making deliveries  
15 hereunder, and expenditures incurred by the Corporation  
16 pursuant to the authority of section 3 (b). Notwithstand-  
17 ing the foregoing, in the case of its investment in local cur-  
18 rency used under the provisions of this Act for the purposes  
19 of paragraphs (1), (3), and (5) of section 550 (c) of the  
20 Mutual Security Act of 1951, the Commodity Credit Corpo-  
21 ration shall be reimbursed from funds appropriated for carry-  
22 ing out activities of the Mutual Security Agency rather  
23 than from funds appropriated pursuant to the authoriza-  
24 tion contained in this section. Any funds or assets available

1 to the Commodity Credit Corporation may be used, in ad-  
2 vance of such appropriations or payments, for carrying out  
3 the purposes of this Act.

4 SEC. 7. No programs shall be undertaken under the  
5 authority of this Act after June 30, 1955.

6 SEC. 8. The President shall make a report to Congress  
7 with respect to the activities carried on under this Act at  
8 least once each six months and at such other times as may be  
9 appropriate.

Passed the Senate July 28 (legislative day, July 27),  
1953.

Attest:

J. MARK TRICE,

*Secretary.*











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## AN ACT

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To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

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JULY 29, 1953

Referred to the Committee on Agriculture









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 9, 1954  
For actions of June 8, 1954  
83rd-2nd, No. 105

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**HIGHLIGHTS:** House committee voted to continue 90% price supports and to report bill for disposal of surplus commodities to foreign countries. House passed amended version of bill to increase excess-tobacco penalty. House committee voted to report bill to transfer CCC seed to Forest Service, etc. House committee reported bill to earmark part of Sec. 32 funds for fishery products. House debated Labor-HEW appropriation bill. Rep. Patman criticized bill to authorize increase in interest on farm-tenant loans. Rep. Miller, Kans., spoke in favor of watershed bill and soil-conservation loans bill. House received appropriation estimate for forest roads and trails. Sen. Kefauver introduced and discussed bill to continue 90% price supports for 2 years. Rep. Byrd commended USDA for distribution of surplus commodities in W. Va. Senate committee ordered reported bill transferring Indian extension work to USDA, etc. Sens. Ferguson and Holland spoke in favor of flexible price supports. Sen. Gore and others recommended extension of Trade Agreements Act. Rep. Byrnes, Wis., introduced and discussed customs simplification bill.

### HOUSE

- 1. PRICE SUPPORTS; SURPLUS COMMODITIES.** The "Daily Digest" states: "Committee on Agriculture; Agreed to report to the House S. 2475, relative to sale and disposal of surplus agricultural commodities to foreign countries. The text of this Senate bill was replaced by language presently contained in the House committee print which has been under study by the committee... Voted (21 to 8) that the level of support to cooperators shall be 90 percent of the parity price of the 1955 crop of any basic commodity, with respect to which producers have not disapproved marketing quotas." (p. D647.)
- 2. TOBACCO QUOTAS.** Vacated the previous passage of S. 3050, to increase the penalty on marketing tobacco in excess of quotas, and passed the bill again with an amendment by Rep. Deane, N. C., to make the bill effective July 1, 1955, instead of July 1, 1954 (p. 7413).
- 3. FISHERY PRODUCTS.** The Merchant Marine and Fisheries Committee reported without amendment S. 2802, to earmark part of Sec. 32 funds for education, publicity, and research on fish and related products for a temporary period (H. Rept. 1770) (p. 7454).



- LABOR-HEN APPROPRIATION BILL, 1955. Began and concluded general debate on this bill, H. R. 9447 (pp. 7417-46). It is expected that the bill will be read for amendment beginning today. Rep. Marshall spoke in support of the vocational education item with respect to its application to agriculture (p. 7440).

Following are excerpts from the committee report:

Mexican farm labor program. "The bill includes \$1,521,000, a reduction of \$225,000 from the request, and \$207,000 from the amount appropriated for 1954. The amount approved is the full amount requested, except that no funds are included to cover the cost of medical examinations, estimated at \$225,000. After the budget was prepared, the Comptroller General ruled that these costs are legal charges against the revolving fund supported by fees charged the growers who use this labor."

Education. "Further endowment of Colleges of Agriculture and the Mechanic Arts.--The bill includes \$2,501,500, the full amount of the request and the same as the amount appropriated for 1954."

- CCC SEEDS; FORESTRY. The Banking and Currency Committee voted to report (but did not actually report) S. 2987, to transfer certain surplus CCC seeds to the Forest Service and BLM for seeding (p. D647).
- FORESTRY. The Interior and Insular Affairs Committee's public lands subcommittee voted to report to the full committee H. R. 1254, amended, to authorize long-term leases of Forest Service lands, etc. (p. D648).
- LAND TRANSFERS. Passed without amendment S. 1400, to permit the Secretary of Agriculture to release the reversionary rights of the U. S. in and to a tract of former FHA land in Wake County, N. C. (p. 7412). This bill will now be sent to the President.  
Passed as reported H. R. 6263, to return to the Rotary Club of Ketchikan, Alaska, a tract of land which had been donated to the Forest Service by the Club (p. 7413).
- FARM LOANS. Rep. Patman criticized H. R. 8656, which would authorize the Department to permit increased interest rates on insured loans under the Bankhead-Jones Farm Tenant Act (pp. 7436-7).
- SOIL CONSERVATION; FARM LOANS. Rep. Miller, Kans., spoke in favor of his bill to authorize insured loans for soil-conservation expenses and the Hope-Aiken watershed bill (pp. 7451-3).
- APPROPRIATIONS. Received from the President an omnibus submission of supplemental appropriation estimates; to Appropriations Committee (H. Doc. 428) (p. 7454). One of these items is \$16,000,000 for liquidation of obligations incurred for expenses and payment of contract earnings for forest roads and trails, pursuant to the Federal Aid Highway Act of 1954, of which \$9,500,000 would be derived by transfer from the 1955 appropriation for forest roads and trails.

#### SENATE

1. FORESTRY. Concurred in the House amendments to S. 1399, to authorize sale of certain improvements on national forest land in Arizona to the Salt River Valley Water Users Association (p. 7379). This bill will now be sent to the President.
2. EXTENSION SERVICE; MINERALS; RECLAMATION. The Interior and Insular Affairs









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 10, 1954  
For actions of June 9, 1954  
83rd-2nd, No. 106

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Forestry.....1		

HIGHLIGHTS: House passed O&C land jurisdiction bill. House committees reported bills to dispose of surplus commodities and to authorize Colo. reclamation project. House debated Labor-HEW appropriation bill. Senate concurred in House amendments to bill to increase excess-tobacco penalty. Senate committees reported State, Justice, Commerce appropriation bill. Sen. Beall defended Secretary's price-support program. Sen. Gillette criticized leadership for not acting sooner on trade-agreements bill, and Sen. Ferguson took issue with him. Sen. Thye inserted his recent speech discussing use of surplus commodities.

## HOUSE

1. FORESTRY. Passed without amendment S. 2225, relating to administrative jurisdiction over certain O&C land in Oreg. (pp. 7539-41). This bill will now be sent to the President. The bill provides for continued administration of the controverted lands by the Forest Service, with accounting of funds heretofore or hereafter received to be the same as for other O&C land receipts, and provides for consolidation of the checker-board administrative areas through exchanges of land by the Agriculture and Interior Departments.
2. SURPLUS COMMODITIES. The Agriculture Committee reported with amendment S. 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the U. S. (H. Rept. 1776)(p. 7552).
3. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 4449, to authorize Interior to construct, operate, and maintain the Colorado River storage project and participating projects (H. Rept. 1774)(p. 7552).
4. LABOR-HEW APPROPRIATION BILL, 1955. Continued debate on this bill, H. R. 9447 (pp. 7505-39). Agreed to an amendment by Rep. Abbitt to increase by \$5,298,750 the amount for vocational education, particularly in agriculture (pp. 7516-32). Rejected, 77-81, an amendment by Rep. Van Zandt to provide \$100,000, under Bureau of Labor Standards, for assisting organizations that work to improve the condition of migratory farm workers (pp. 7505-10).
5. LEGISLATIVE PROGRAM. Rep. Halleck said debate would continue on the Labor-HEW



appropriation bill  
/today and that the trade-agreements bill will be considered Friday (p. 7541).

SENATE

6. TOBACCO QUOTAS. Concurred in the House amendments to S. 3050, to increase the penalty on marketing tobacco in excess of quotas from 40% to 50% of the average market price, effective July 1, 1955 (pp. 7498-9). This bill will now be sent to the President.
7. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 8067 (S. Rept. 1541)(p. 7458).
8. MOTOR VEHICLES; PROPERTY; EXTENSION WORK. The Government Operations Committee reported without amendment S. 3199, to authorize additional use of Government motor vehicles at isolated Government installations (S. Rept. 1536); S. 3243, to extend until June 30, 1955, the period during which disposals of surplus property may be made by negotiation (S. Rept. 1537); and H. J. Res. 300, to sell certain surplus land in Kerr County, Tex., to the Texas Hill County Development Foundation for use of 4-H clubs, etc. (S. Rept. 1538)(p. 7458).
8. PERSONNEL; EXPENDITURES. Sen. Byrd inserted an additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures regarding employment (pp. 7458-61).
9. TRADE AGREEMENTS. Sen. Gillette spoke in favor of continuation of the Reciprocal Trade Agreements Act and criticized the Republican leadership for not acting sooner on this matter. Sen. Ferguson took issue with him on this and stated that no hardship would result if the Act is not extended prior to its expiration. (pp. 7464-7.)
10. PRICE SUPPORTS. Sen. Beall defended Secretary Benson's flexible price-support program and outlined the various farm and other organizations which participated in its development (p. 7487).
11. CONTAINERS. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) H. R. 8357, to amend the Standard Container Act to provide for a 3/8 bushel basket (p. D654).
12. TAXATION. The Finance Committee completed marking up H. R. 8300, the general tax revision bill, following which it was announced that the Committee had taken further tentative actions with respect to provisions of the House-passed version, including Sec. 175 on soil-water conservation expenditures, as follows: "The committee reconsidered this provision and decided to make it applicable in the case of certain special assessment expenditures of the taxpayer for water conservation" (pp. D652-4).
13. LAND TRANSFER. H.R. 3097, to donate the USDA Grape Station at Oakville Calif., to the Univ. of Calif., was made the Senate's unfinished business (p. 7500).
14. ADJOURNED until Fri., June 11 (p. 7502). The Legislative Program as announced by Majority Leader Knowland: Fri., it is expected that the unfinished business will be laid aside and the State, Justice, Commerce appropriation bill will be considered (p. 7502).



## AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

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JUNE 9, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. HOPE, from the Committee on Agriculture, submitted the following

### R E P O R T

[To accompany S. 2475]

The Committee on Agriculture, to whom was referred the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954".

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, and to promote collective strength or further in other ways the foreign policy of the United States.

#### TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 191. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(a) take reasonable precautions to safeguard against the displacement of usual marketings of the United States or friendly nations, and assure insofar

as practicable that sales under this Act will not disrupt world prices of like commodities of similar quality;

(b) take appropriate steps to assure that private trade channels are used both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation to the maximum extent practicable;

(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

(d) seek commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.

SEC. 102. (a) For the purpose carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with directions of the President, (1) shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities. Unless otherwise authorized by the President, Commodity Credit Corporation funds shall not be used to finance the sale and exportation of privately owned surplus agricultural commodities (other than those commodities acquired pursuant to (1) above and commodities pledged or mortgaged for price support loans) if Commodity Credit Corporation is in a position to supply such commodities from its own inventories, except that Commodity Credit Corporation funds may be used to finance the exportation of privately owned stocks of surplus agricultural commodities if such exportations are made under arrangements whereby such exporters acquire similar commodities of comparable value from Commodity Credit Corporation. For the purpose of carrying out any such arrangement, Commodity Credit Corporation shall not be subject to the sales price restrictions of section 407 of the Agricultural Act of 1949, as amended.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Corporation is not otherwise reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1,000,000,000.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use the foreign cur-



rencies which accrue under this title for the purposes set forth in section 2 of this Act, including one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase for the United States stockpile materials essential to the national security (as determined by the President) under contracts, including advance payment contracts, for supply extending over periods up to ten years and assure insofar as practicable that materials so purchased would not displace United States domestic production or usual commercial imports into the United States. Materials so acquired shall not be released for resale except pursuant to the terms of the Strategic and Critical Materials Stockpiling Act, as amended;

(c) To procure military equipment, materials, and services for the common defense;

(d) For the purchase of goods or services for other friendly countries;

(e) For increasing production for domestic needs in friendly countries;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate:

*Provided, however,* That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title and any department or agency of the Government using any of such currencies shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106. As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

SEC. 107. The President shall make a report to Congress with respect to the activities carried on under this Act as least once each six months and at such other times as may be appropriate.

SEC. 108. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

## TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to friendly nations to assist low-income groups through special cooperative programs undertaken with foreign governments, for relief and increased consumption.

SEC. 203. Not more than \$100 million worth of surplus agricultural commodities from Commodity Credit Corporation stocks may be used by the President without regard to the requirements of this title or of the Mutual Defense Assistance Control Act of 1951, when the President deems that such use is important to the foreign policy objectives of the United States.

SEC. 204. Not more than \$300,000,000 (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies, in such manner, and upon such terms and con-

ditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

SEC. 205. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

### TITLE III—GENERAL PROVISIONS

SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation may make available to the President any farm commodity owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities; and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). The responsibility of the Corporation in connection with the use of such commodities shall be limited to delivery of the commodities to designated agencies at one or more central locations in each State, except that facilities and funds of the Corporation may be utilized for the processing or packaging of such commodities on a reimbursable basis.

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic defense materials as provided by law; (3) to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in nonprofit school-lunch programs, in the assistance of needy persons, in State or Federal penal and corrective institutions, and in publicly owned hospitals; (4) to donate any such commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that commodities disposed of thereunder will be in addition to and not in substitution for any normal consumption. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

SEC. 303. The second paragraph of the Act of June 28, 1937 (50 Stat. 323), as amended, is hereby amended by adding before the period at the end thereof the following words "and for use in such State penal and corrective institutions as the Secretary may approve".

SEC. 304. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for strategic materials entailing less risk of loss through deterioration or substantially less storage charges, he is hereby directed to use every practicable means to assist other Government agencies



and private trade channels in arranging and making such barter or exchanges or to utilize the authority conferred on him by section 104 (h) of the Commodity Credit Corporation Charter Act to make such barter or exchanges. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials."

Amend the title to read as follows:

A bill to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes.

#### STATEMENT

The purpose of this legislation is greater utilization and enjoyment, at home and among friendly peoples abroad, of the abundance of food and fiber produced on the farms of the United States.

This legislation declares it to be the policy of the Congress that this greater dissemination of abundance shall be managed to expand international trade, to promote the economic stability of American agriculture and the national welfare, and to further the foreign policy of the United States.

It authorizes the use of \$1 billion over the next 3 years to broaden the program for sale of food and fiber for the local currencies of other nations, and a program of barter for strategic materials needed by the United States.

It permits the President, to the extent of \$300 million in the 3 years ahead, to furnish emergency assistance on behalf of the people of the United States to friendly peoples of other nations, to meet famine and other urgent relief requirements.

It makes commodities available for relief distribution abroad by private nonprofit welfare organizations.

It expands the availability of food for needy persons in the United States, for the school lunch program, and for other nonprofit uses.

The language presented here replaces in its entirety the text of S. 2475 and expands and perfects its provisions relating to the same subject, in the light of experience since the Senate acted upon that bill.

Your committee has studied some 60 bills introduced by as many Members of the House, and other proposals by organizations and individual citizens, along with the Senate bill, with respect to the disposal of accumulated commodities.

S. 2475, as amended, while opening our storehouses wider for distressed peoples in other countries, places particular emphasis on developing the widest possible foreign trade outlets to our farmers.

During World War II and the years following the war, American farmers were called on to produce at ever-higher levels. Agricultural output was increased by 40 percent over prewar levels. Thus, our farm productive capacity now is running in excess of current market demands. A major factor has been the reduction in exports from the postwar peak.

Many other countries are developing, for domestic use or export, increased supplies of commodities formerly obtained from the United States. Moreover, foreign exchange controls, bilateral trade agree-

ments, import controls, and similar devices employed by some nations are throttling export of American farm products.

Our goal in the trade section of this legislation is to reverse this trend of restricted exports by expanding world outlets.

However, to develop these new markets—through sales for local currencies—this legislation sets rigid standards, including requirements that the President shall—

1. Take reasonable precautions to safeguard against displacement of usual marketings of the United States or friendly nations, and to assure insofar as practicable that sales will not disrupt world prices.

2. Take appropriate steps to assure that private trade channels are used both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation, so far as practicable.

The \$1,000,000,000 in the trade program will be employed to reimburse CCC from commodities taken out of CCC stocks, to convert to dollars the local currencies of other countries received by private American exporters for goods delivered abroad under this program, and in meeting other expenses of the program.

This legislation expands the local currencies export sales program already given a successful trial run in section 550 which was added last year to the Mutual Security Act of 1951. On July 24, 1953, Hon. Ezra Taft Benson, Secretary of Agriculture, in a letter to the Senate Committee on Agriculture and Forestry said:

Section 550 gives us an opportunity, on a trial basis, to see whether we can effectively sell our agricultural surpluses for foreign currencies. If we find this feasible, we will support broader programs of this kind.

Hon. John H. Davis, Assistant Secretary of Agriculture, informed the House Committee on Agriculture on April 27, 1954, that during the current year transactions probably will be approved under the section 550 program in the value of about \$230,000,000, and that it was necessary to limit sales to certain countries which wanted our agricultural surpluses under section 550 because the basic mutual security program also had to be carried out with the same funds.

Mr. Davis, speaking for the Department, recommended that the expanded program should aim at disposing of \$1 billion worth of surplus agricultural commodities within the next 3 fiscal years, over and above normal marketings.

The amended bill embraces definite stipulations on the use of the foreign currencies which accrue to the Government under this program, including purchase of stockpile materials, procurement of military equipment, materials and services, purchase of goods or services for other friendly countries, increasing production for domestic needs in friendly countries, to pay United States obligations abroad, and encouragement of multilateral trade and economic development.

While the nature of the foreign sales program requires a more detailed discussion in this statement, your committee places no less importance on the other sections in the bill, especially the provisions for broader distribution of food in our own country and particularly to people in need.

The various provisions are explicitly and clearly set forth in the language here presented. The legislation was approved without a



dissenting vote by your committee, and warrants the favorable consideration of the House.

### ANALYSIS

Section 1: The act may be cited as the "Agricultural Trade Development and Assistance Act of 1954."

Section 2: This section contains a statement of policy which includes the expansion of international trade, the facilitation of currency convertibility, promotion of the economic stability of American agriculture, the use of surplus agricultural commodities to further United States foreign policy, and stimulation of foreign trade in United States agricultural commodities by permitting marketing of such commodities in excess of the usual marketings through private trade channels for foreign currencies. Currencies so derived would be used to expand international trade, to increase economic development, to purchase strategic materials, to pay United States obligations abroad, and to promote collective strength, or further in other ways the foreign policy of the United States.

### TITLE I—SALES FOR FOREIGN CURRENCY

Section 101: The President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements, the President is required to (a) take reasonable precautions against the displacement of usual marketings of such commodities by the United States or friendly nations and avoid disruption of world prices, (b) use private channels of trade to the maximum extent practicable, (c) develop and expand the continuous market demand abroad for United States agricultural commodities, (d) seek commitments from the recipient country that will prevent resale or transshipment of such commodities to other countries or their use for other than domestic purposes, and (e) afford free nations the maximum opportunities to purchase surplus agricultural commodities from the United States.

Section 102: (a) The Commodity Credit Corporation, in accordance with the directions of the President, is directed to make available surplus agricultural commodities acquired by the Corporation in the administration of its price support operations for sale under this act, and to make available funds to finance the exportation of surplus agricultural commodities. The commodities exported are required to be from CCC stocks unless (1) CCC is not in a position to supply such commodities, (2) commodities pledged and mortgaged for price support loans are exported, or (3) privately owned stocks are exported and the exporter acquires from CCC stocks a similar commodity of comparable value. CCC is freed from the sales price restrictions of section 407 of the Agricultural Act of 1949, as amended, in order to carry out arrangements referred to in item 3 above. The term "comparable value" is a flexible term which will permit variation in the value of the commodity exported and that delivered to the exporter, with adjustments being made by cash payments to the exporter.

(b) Authority is given for the issuance of letters of commitment to facilitate transactions under this act through private channels of trade.

Section 103: (a) To make payment to CCC for commodities disposed of, and costs incurred under titles I and II of the act, appropriations are authorized in amounts equal to (1) the Corporation's investment in the commodities, including processing, packing, transportation, and handling costs incurred in making commodities available in the form and manner directed by the President, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities under title I less such amounts as the corporation receives in reimbursement under section 105.

(b) Transactions are not authorized under title I which will call for appropriations in excess of \$1,000,000,000.

Section 104: Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953 (which requires appropriations for the use of foreign currency owned by the United States), or any other provision of law, the President may use foreign currencies, which accrued to the United States under title I, to carry out the declared policy set forth in section 2, including (a) development of new markets for United States agricultural commodities, (b) purchase materials for the national stockpile, (c) procurement of military equipment, materials, and services for the common defense, (d) purchase of goods or services for other friendly countries, (e) increased production for domestic needs in friendly countries, (f) pay United States obligations abroad, and (g) loans to promote multilateral trade and economic development. However, section 1415 of the Supplemental Appropriation Act, 1953, is to apply to not less than 10 percent of the foreign currencies which accrue under this title, except that the President may waive such applicability of section 1415 in any case where it would be inappropriate or inconsistent with the purposes of the title.

Section 105: Foreign currencies received under title I are to be deposited to the credit of the United States Government and any Government agency using such currency is to reimburse the CCC the dollar value thereof.

Section 106: Surplus agricultural commodities are defined.

Section 107: The President is to make the report to the Congress on activities under the act at least once each 6 months.

Section 108: No transactions may be undertaken under authority of title I, after June 30, 1957, except as required by agreements theretofore entered into under title I.

#### TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

Section 201: The CCC is directed to make available to the President, f. o. b. vessel at United States ports, such surplus agricultural commodities from its stocks as the President may request for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements, and (2) to friendly but needy populations without regard to the friendliness of their government.

Section 202: The President may grant surplus agricultural commodities from CCC stocks to friendly nations to assist low income groups through special cooperative programs undertaken with foreign governments, for relief and increased consumption.

Section 203: Not more than \$100 million worth of surplus agricultural commodities from CCC stocks may be used by the President



without regard to the requirements of title II or of the Mutual Defense Assistance Control Act of 1951 when the President deems that such use is important to the foreign policy objectives of the United States.

Section 204: Not more than \$300 million (including the Corporation's investment in the commodities) are authorized to be expended for all transfers under this title. The President is directed to use the facilities of voluntary relief agencies to the extent practicable and make transfers through such agencies, in such manner, and upon such terms and conditions as he deems appropriate.

Section 205: No programs of assistance shall be undertaken under title II after June 30, 1957.

### TITLE III—GENERAL PROVISIONS

This title amends the basic disposal provisions of the Agricultural Act of 1949, sections 407 and 416 of the act, and also provides a new directive and criterion for barter transactions. In general, the new provisions in this title represent the committee's response to the many earnest representatives of charitable organizations, voluntary relief agencies, and similar groups who appeared during the hearings to urge additional provisions for making our surplus commodities available to needy persons both in the United States and abroad.

Section 301: This section amends section 407 of the act of 1949, the section dealing with the sale and disposal of basic commodities and storable nonbasic commodities. The amendment provides that any farm commodities owned or controlled by CCC may be used by the President to relieve distress in the United States in two types of circumstances:

(1) In areas which the President declares to be acute distress areas because of unemployment or other economic cause, if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities. In adding this provision to the law, the committee was impressed with reports of occasional need for such assistance in communities affected by technological unemployment, such as the closing down of industries or mines, or a crop failure in a community primarily dependent on agricultural employment.

(2) In connection with major disasters such as floods, tornadoes, etc., the basic authority and criteria for the determination of such a disaster area exist in Public Law 875, 81st Congress. No finding of noninterference with normal marketing is required in connection with this use of CCC inventories.

The amendment provides that the responsibility of the CCC in connection with these uses of commodities shall be limited to their delivery to central locations in each State, except that Corporation funds and facilities may be used to process or package such commodities on a reimbursable basis.

Section 302: This section makes several changes in section 416 of the Agricultural Act of 1949, the section dealing primarily with the disposal of perishable commodities. The more important of these amendments are:

(1) Eliminates applicability of the section only to "food" commodities.

(2) Eliminates the necessity of a finding by the Secretary that commodities are in danger of loss through "deterioration or spoilage" before they can be disposed of under the section.

(3) Establishes barter as a priority disposal method.

(4) Expands the list of eligible domestic recipients of donated commodities to include State and Federal penal and corrective institutions and publicly owned hospitals.

(5) Requires the Secretary to obtain assurances that use of donated commodities will be in addition to and not in substitution for normal consumption.

(6) Permits the Secretary to estimate in advance the quantity of commodities which may be available for donation.

(7) Authorizes CCC to pay reprocessing, packaging, handling, and transportation charges on donated commodities up to the time of their delivery to a designated agency for domestic distribution or to the port of export for foreign distribution.

Section 303: This section implements existing barter authority by establishing a policy of encouraging and assisting exchanges of surplus agricultural commodities for strategic materials when such an exchange will protect the funds and assets of the Commodity Credit Corporation. Most agricultural commodities, even those classified as "storable," deteriorate measurably in storage. In addition, storage charges on most agricultural commodities are relatively high. Even in the case of grains, for example, the storage charges add up to the value of the commodity in 8 to 10 years. On many of the perishables, the rate is much higher. The Secretary of Agriculture reported to the committee that CCC is now spending more than \$700,000 per day for the storage of its commodities.

It would seem to the committee, therefore, to make extremely good sense to take advantage of opportunities which might present themselves to exchange these commodities which are subject to deterioration and costly to store for strategic materials, most of which do not deteriorate and which cost relatively little to store.

Although barter of surplus agricultural commodities for critical and strategic materials is specifically contemplated and authorized by the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act, the Department of Agriculture has participated in relatively few such transactions and, apparently, had taken an attitude discouraging, rather than encouraging, the making of such exchanges.

Among other deterrents to an effective barter program, the Department has maintained the policy of declining to accept in trade for its agricultural surplus any strategic materials that it did not have an immediate sale for to the appropriate Government agency. While not criticizing the Department for this attitude (since there was no legislative policy statement to guide it) the committee believes that the funds and assets of the CCC can be much better protected by exchanging, when the opportunity offers, some of its costly to store agricultural surplus for nondeteriorating, easily stored strategic materials, even though these may have to be held for some time as the property of the CCC. Indeed, to refuse to make such exchanges simply because no Government agency is in a position at the moment to buy the strategic materials from the CCC, is to negate the very reason for barter—which is an exchange of materials for materials when money with which to purchase such materials is unavailable or



is less useful than materials. Since the disposal of any such strategic materials would be controlled by the provisions of the Strategic and Critical Materials Stockpiling Act, their possession by the CCC would create no marketing problems.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is in italics; existing law in which no change is proposed is shown in roman):

AGRICULTURAL ACT OF 1949, AS AMENDED

\* \* \* \* \*

TITLE IV—MISCELLANEOUS

\* \* \* \* \*

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. *Notwithstanding the foregoing, the Corporation may make available to the President any farm commodity owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). The responsibility of the Corporation in connection with the use of such commodities shall be limited to delivery of the commodities to designated agencies at one or more central locations in each State, except that facilities and funds of the Corporation may be utilized for the processing or packaging of such commodities on a reimbursable basis.*

\* \* \* \* \*

SEC. 416. In order to prevent the waste of [food] commodities acquired through price support operations by the Commodity Credit Corporation [which are found to be in danger of loss through deterioration or spoilage] before they can be disposed of in normal domestic channels without impairment of the price-support program, or sold abroad at competitive world prices, [the Secretary of Agriculture and] the Commodity Credit Corporation [are] is authorized [, upon application by the Munitions Board or any other Federal agency and], on such terms and under such regulations as the Secretary may [be deemed in the public interest] deem in the public interest: [to make such commodities available to any such agency for use in making payment for commodities not produced in the United States. Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows

in the order of priority set forth: First, to school-lunch programs; and to the Bureau of Indian Affairs and Federal, State, and local welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States.】 (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic defense materials as provided in section ; (3) to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in nonprofit school-lunch programs, in the assistance of needy persons, in State or Federal penal and corrective institutions, and in publicly owned hospitals; (4) to donate any such commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that commodities disposed of thereunder will be in addition to and not in substitution for any normal consumption. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, processing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States.

#### THE ACT OF JUNE 28, 1937, AS AMENDED

To extend the time for purchase and distribution of surplus agricultural commodities for relief purposes and to continue the Federal Surplus Commodities Corporation

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in carrying out the provisions of clause (2) of section 32 of the Act approved August 24, 1935 (49 Stat. 774), as amended, the Secretary of Agriculture may transfer to the Federal Surplus Commodities Corporation, which Corporation is hereby continued, until June 30, 1945, as an agency of the United States under the direction of the Secretary of Agriculture, such funds, appropriated by said section 32, as may be necessary for the purpose of effectuating said clause (2) of section 32: Provided, That such transferred funds, together with other funds of the Corporation, may be used for purchasing, exchanging, processing, distributing, disposing, transporting, storing, and handling of agricultural commodities and products thereof and inspection costs, commissions, and other incidental costs and expenses, without regard to the provisions of existing law governing the expenditure of public funds and for administrative expenses, including rent, printing and binding, and the employment of persons and means, in the District of Columbia and elsewhere, such employment of persons to be in accordance with the provisions of law applicable to the employment of persons by the Agricultural Adjustment Administration.*

*In carrying out clause (2) of section 32, the funds appropriated by said section may be used for the purchase, without regard to the provisions of existing law governing the expenditure of public funds, of agricultural commodities and products thereof, and such commodities, as well as agricultural commodities and products thereof purchased under the preceding paragraph hereof, may be donated for relief purposes【.】 and for use in such State penal and corrective institutions as the Secretary may approve.*



Union Calendar No. 652

83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2475**

[Report No. 1776]

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IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1953

Referred to the Committee on Agriculture

JUNE 9, 1954

Reported with amendments, committed to the Committee of the Whole House  
on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

---

**AN ACT**

To authorize the President to use agricultural commodities to  
improve the foreign relations of the United States, and for  
other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the “Agricultural Trade  
4       Development Act of 1953”.

5       SEC. 2. It is hereby declared to be the policy of the  
6       Congress to use agricultural commodities in excess of market  
7       demands to expand free world economies by promoting ad-  
8       ditional trade and strengthening the economies of cooperat-  
9       ing nations.

1        SEC. 3. In furtherance of this policy the President is  
2 authorized, in accordance with the provisions of section  
3 550 (b), (c), (d), and (e) of the Mutual Security Act  
4 of 1951, as added by Public Law 118, Eighty-third Con-  
5 gress, first session, to—

6            (a) make excess agricultural commodities hereto-  
7 fore or hereafter acquired by the Commodity Credit  
8 Corporation, available for sale, and to deliver such com-  
9 modities as may be sold at such times, in such quantities,  
10 and at such places within the United States, including  
11 free on board vessel American ports, as the President  
12 may direct, and

13            (b) direct the Commodity Credit Corporation, from  
14 any funds available to it and subject to terms and con-  
15 ditions prescribed by the President, to convert into dol-  
16 lars the foreign currencies received by exporters in pay-  
17 ment for the sale of excess agricultural commodities  
18 which have been sold by exporters pursuant to this  
19 section:

20 *Provided*, That the total value of Commodity Credit Cor-  
21 poration stocks made available under (a) above, together  
22 with the expenditure under (b) above, shall not exceed  
23 \$500,000,000.

24        SEC. 4. Excess agricultural commodities shall be those  
25 determined by the Secretary of Agriculture to be in excess of



1 probable domestic and export sales plus a reserve for working  
2 stocks.

3 SEC. 5. The President shall administer the provisions of  
4 this title so as to export the maximum quantities of agricul-  
5 tural commodities with the funds made available to him for  
6 this purpose.

7 SEC. 6. For the purpose of making payment to the Com-  
8 modity Credit Corporation for funds or commodities made  
9 available by it to carry out the provisions of this Act, there  
10 are hereby authorized to be appropriated to the Commodity  
11 Credit Corporation, out of any moneys in the Treasury not  
12 otherwise appropriated, such sums as are equal to the Cor-  
13 poration's investment in such commodities, including  
14 handling costs, plus the costs incurred in making deliveries  
15 hereunder, and expenditures incurred by the Corporation  
16 pursuant to the authority of section 3 (b). Notwithstand-  
17 ing the foregoing, in the case of its investment in local cur-  
18 rency used under the provisions of this Act for the purposes  
19 of paragraphs (1), (3), and (5) of section 550 (e) of the  
20 Mutual Security Act of 1951, the Commodity Credit Corpo-  
21 ration shall be reimbursed from funds appropriated for carry-  
22 ing out activities of the Mutual Security Agency rather  
23 than from funds appropriated pursuant to the authoriza-  
24 tion contained in this section. Any funds or assets available  
25 to the Commodity Credit Corporation may be used, in ad-

1 vance of such appropriations or payments, for carrying out  
2 the purposes of this Act.

3 SEC. 7. No programs shall be undertaken under the  
4 authority of this Act after June 30, 1955.

5 SEC. 8. The President shall make a report to Congress  
6 with respect to the activities carried on under this Act at  
7 least once each six months and at such other times as may be  
8 appropriate.

9 *That this Act may be cited as the "Agricultural Trade*  
10 *Development and Assistance Act of 1954".*

11 SEC. 2. *It is hereby declared to be the policy of Con-*  
12 *gress to expand international trade among the United States*  
13 *and friendly nations, to facilitate the convertibility of cur-*  
14 *rency, to promote the economic stability of American agricul-*  
15 *ture and the national welfare, to make maximum efficient use*  
16 *of surplus agricultural commodities in furtherance of the*  
17 *foreign policy of the United States, and to stimulate and*  
18 *facilitate the expansion of foreign trade in agricultural com-*  
19 *modities produced in the United States by providing a means*  
20 *whereby surplus agricultural commodities in excess of the*  
21 *usual marketings of such commodities may be sold through*  
22 *private trade channels, and foreign currencies accepted in*  
23 *payment therefor. It is further the policy to use foreign*  
24 *currencies which accrue to the United States under this*  
25 *Act to expand international trade, to encourage economic*



1 *development, to purchase strategic materials, to pay United*  
2 *States obligations abroad, and to promote collective strength*  
3 *or further in other ways the foreign policy of the United*  
4 *States.*

5 *TITLE I—SALES FOR FOREIGN CURRENCY*

6 *SEC. 101. In furtherance of this policy, the President*  
7 *is authorized to negotiate and carry out agreements with*  
8 *friendly nations or organizations of friendly nations to pro-*  
9 *vide for the sale of surplus agricultural commodities for for-*  
10 *ign currencies. In negotiating such agreements the Pres-*  
11 *ident shall—*

12 *(a) take reasonable precautions to safeguard against*  
13 *the displacement of usual marketings of the United States*  
14 *or friendly nations, and assure insofar as practicable*  
15 *that sales under this Act will not disrupt world prices of*  
16 *like commodities of similar quality;*

17 *(b) take appropriate steps to assure that private*  
18 *trade channels are used both with respect to sales from*  
19 *privately owned stocks and from stocks owned by the*  
20 *Commodity Credit Corporation to the maximum extent*  
21 *practicable;*

22 *(c) give special consideration to utilizing the au-*  
23 *thority and funds provided by this Act, in order to de-*  
24 *velop and expand continuous market demand abroad*

1       for agricultural commodities, with appropriate emphasis  
2       on underdeveloped and new market areas;

3           (d) seek commitments from participating countries  
4       that will prevent resale or transshipment to other coun-  
5       tries, or use for other than domestic purposes, of sur-  
6       plus agricultural commodities purchased under this Act,  
7       without specific approval of the President; and

8           (e) afford any friendly nation the maximum op-  
9       portunity to purchase surplus agricultural commodities  
10      from the United States, taking into consideration the  
11      opportunities to achieve the declared policy of this Act  
12      and to make effective use of the foreign currencies re-  
13      ceived to carry out the purposes of this Act.

14      SEC. 102. (a) For the purpose of carrying out agree-  
15      ments concluded by the President hereunder, the Commod-  
16      ity Credit Corporation, in accordance with directions of the  
17      President, (1) shall make available for sale hereunder at  
18      such points in the United States as the President may direct  
19      surplus agricultural commodities heretofore or hereafter  
20      acquired by the Corporation in the administration of its price  
21      support operations, and (2) shall make funds available to  
22      finance the sale and exportation of surplus agricultural com-  
23      modities. Unless otherwise authorized by the President,  
24      Commodity Credit Corporation funds shall not be used to  
25      finance the sale and exportation of privately owned surplus



1 agricultural commodities (other than those commodities  
2 acquired pursuant to (1) above and commodities pledged or  
3 mortgaged for price support loans) if Commodity Credit  
4 Corporation is in a position to supply such commodities from  
5 its own inventories, except that Commodity Credit Corpora-  
6 tion funds may be used to finance the exportation of pri-  
7 vately owned stocks of surplus agricultural commodities if  
8 such exportations are made under arrangements whereby  
9 such exporters acquire similar commodities of comparable  
10 value from Commodity Credit Corporation. For the purpose  
11 of carrying out any such arrangement, Commodity Credit  
12 Corporation shall not be subject to the sales price restrictions  
13 of section 407 of the Agricultural Act of 1949, as amended.

14 (b) In order to facilitate and maximize the use of pri-  
15 vate channels of trade in carrying out agreements entered into  
16 pursuant to this Act, the President may, under such regula-  
17 tions and subject to such safeguards as he deems appropriate,  
18 provide for the issuance of letters of commitment against  
19 funds or guaranties of funds supplied by the Commodity  
20 Credit Corporation and for this purpose accounts may be  
21 established on the books of any department, agency, or estab-  
22 lishment of the Government, or on terms and conditions ap-  
23 proved by the Secretary of the Treasury in banking institu-  
24 tions in the United States. Such letters of commitment, when  
25 issued, shall constitute obligations of the United States and

1 moneys due or to become due thereunder shall be assignable  
2 under the Assignment of Claims Act of 1940. Expenditures  
3 of funds which have been made available through accounts so  
4 established shall be accounted for on standard documentation  
5 required for expenditures of Government funds.

6       SEC. 103. (a) For the purpose of making payment to  
7 the Commodity Credit Corporation to the extent the Com-  
8 modity Credit Corporation is not reimbursed under section  
9 105 for commodities disposed of and costs incurred under  
10 titles I and II of this Act, there are hereby authorized to be  
11 appropriated such sums as are equal to (1) the Corporation's  
12 investment in commodities made available for export under  
13 this title and title II of this Act, including processing, pack-  
14 aging, transportation, and handling costs, and (2) all costs  
15 incurred by the Corporation in making funds available to  
16 finance the exportation of surplus agricultural commodities  
17 pursuant to this title. Any funds or other assets available to  
18 the Commodity Credit Corporation may be used in advance  
19 of such appropriation or payments, for carrying out the  
20 purposes of this Act.

21       (b) Transactions shall not be carried out under this title  
22 which will call for appropriations to reimburse the Commod-  
23 ity Credit Corporation, pursuant to subsection (a) of this  
24 section, in amounts in excess of \$1,000,000,000.

25       SEC. 104. Notwithstanding section 1415 of the Supple-



1 *mental Appropriation Act, 1953, or any other provision of*  
2 *law, the President may use the foreign currencies which*  
3 *accrue under this title for the purposes set forth in section 2*  
4 *of this Act, including one or more of the following purposes:*

5       *(a) To help develop new markets for United States*  
6 *agricultural commodities on a mutually benefiting basis;*

7       *(b) To purchase or contract to purchase for the*  
8 *United States stockpile materials essential to the na-*  
9 *tional security (as determined by the President) under*  
10 *contracts, including advance payment contracts, for*  
11 *supply extending over periods up to ten years and assure*  
12 *insofar as practicable that materials so purchased would*  
13 *not displace United States domestic production or usual*  
14 *commercial imports into the United States. Materials*  
15 *so acquired shall not be released for resale except pur-*  
16 *suant to the terms of the Strategic and Critical Materials*  
17 *Stockpiling Act, as amended;*

18       *(c) To procure military equipment, materials, and*  
19 *services for the common defense;*

20       *(d) For the purchase of goods or services for other*  
21 *friendly countries;*

22       *(e) For increasing production for domestic needs in*  
23 *friendly countries;*

24       *(f) To pay United States obligations abroad;*

1           (g) For loans to promote multilateral trade and  
2       economic development, made through established bank-  
3       ing facilities of the friendly nation from which the for-  
4       eign currency was obtained or in any other manner  
5       which the President may deem to be appropriate:

6       Provided, however, That section 1415 of the Supplemental  
7       Appropriation Act, 1953, shall apply to not less than 10 per  
8       centum of the foreign currencies which accrue under this  
9       title: Provided, however, That the President is authorized to  
10      waive such applicability of section 1415 in any case where  
11      he determines that it would be inappropriate or inconsistent  
12      with the purposes of this title.

13       SEC. 105. Foreign currencies received pursuant to this  
14      title shall be deposited in a special account to the credit of  
15      the United States and shall be used only pursuant to section  
16      104 of this title, and any department or agency of the gov-  
17      ernment using any of such currencies shall reimburse the  
18      Commodity Credit Corporation in an amount equivalent to  
19      the dollar value of the currencies used.

20       SEC. 106. As used in this Act, "surplus agricultural  
21      commodity" shall mean any agricultural commodity or prod-  
22      uct thereof, class, kind, type, or other specification thereof,  
23      produced in the United States, either privately or publicly  
24      owned, which is in excess of domestic requirements, ade-



1 *quate carryover, and anticipated exports for dollars, as de-*  
2 *termined by the Secretary of Agriculture.*

3        *SEC. 107. The President shall make a report to Con-*  
4        *gress with respect to the activities carried on under this*  
5        *Act at least once each six months and at such other times as*  
6        *may be appropriate.*

7        *SEC. 108. No transactions shall be undertaken under*  
8        *authority of this title after June 30, 1957, except as required*  
9        *pursuant to agreements theretofore entered into pursuant to*  
10       *this title.*

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

13       *SEC. 201. In order to enable the President to furnish*  
14 *emergency assistance on behalf of the people of the United*  
15 *States to friendly peoples in meeting famine or other urgent*  
16 *relief requirements, the Commodity Credit Corporation shall*  
17 *make available to the President out of its stocks such surplus*  
18 *agricultural commodities (as defined in section 106 of title*  
19 *I) f. o. b. vessels in United States ports, as he may request,*  
20 *for transfer (1) to any nation friendly to the United States*  
21 *in order to meet famine or other urgent relief requirements*  
22 *of such nation, and (2) to friendly but needy populations*  
23 *without regard to the friendliness of their government.*

24      *SEC. 202. The President may authorize the transfer on*

1 a grant basis of surplus agricultural commodities from Com-  
2 modity Credit Corporation stocks to friendly nations to assist  
3 low-income groups through special cooperative programs  
4 undertaken with foreign governments, for relief and increased  
5 consumption.

6 SEC. 203. Not more than \$100 million worth of surplus  
7 agricultural commodities from Commodity Credit Corpora-  
8 tion stocks may be used by the President without regard  
9 to the requirements of this title or of the Mutual Defense  
10 Assistance Control Act of 1951, when the President deems  
11 that such use is important to the foreign policy objectives  
12 of the United States.

13 SEC. 204. Not more than \$300,000,000 (including the  
14 Corporation's investment in the commodities) shall be ex-  
15 pended for all transfers, including delivery on board vessels  
16 in United States ports, under this title. The President may  
17 make such transfers through such agencies, in such manner,  
18 and upon such terms and conditions as he deems appropriate;  
19 he shall make use of the facilities of voluntary relief agencies  
20 to the extent practicable.

21 SEC. 205. No programs of assistance shall be undertaken  
22 under the authority of this title after June 30, 1957.

### 23 TITLE III—GENERAL PROVISIONS

24 SEC. 301. Section 407 of the Agricultural Act of 1949 is  
25 amended by adding at the end thereof the following: "Not-



*shall*  
1 withstanding the foregoing, the Corporation may make  
2 available to the President any farm commodity owned or  
3 controlled by it for use in relieving distress (1) in any area  
4 in the United States declared by the President to be an  
5 acute distress area because of unemployment or other eco-  
6 nomic cause if the President finds that such use will not  
7 displace or interfere with normal marketing of agricultural  
8 commodities and (2) in connection with any major disaster  
9 determined by the President to warrant assistance by the  
10 Federal Government under Public Law 875, Eighty-first  
11 Congress, as amended (42 U. S. C. 1855). The responsi-  
12 bility of the Corporation in connection with the use of such  
13 commodities shall be limited to delivery of the commodities  
14 to designated agencies at one or more central locations in  
15 each State, except that facilities and funds of the Corpora-  
16 tion may be utilized for the processing or packaging of such  
17 commodities on a reimbursable basis.

18 SEC. 302. Section 416 of the Agricultural Act of 1949  
19 is amended to read as follows:

20 "SEC. 416. In order to prevent the waste of commodities  
21 acquired through price-support operations by the Commodity  
22 Credit Corporation before they can be disposed of in normal  
23 domestic channels without impairment of the price-support  
24 program or sold abroad at competitive world prices, the

1 *Commodity Credit Corporation is authorized, on such terms*  
2 *and under such regulations as the Secretary may deem in*  
3 *the public interest: (1) upon application, to make such*  
4 *commodities available to any Federal agency for use in mak-*  
5 *ing payment for commodities not produced in the United*  
6 *States; (2) to barter or exchange such commodities for*  
7 *strategic defense materials as provided by law; (3) to*  
8 *donate such commodities to the Bureau of Indian Affairs*  
9 *and to such State, Federal, or private agency or agencies*  
10 *as may be designated by the proper State or Federal*  
11 *authority and approved by the Secretary, for use in*  
12 *nonprofit school-lunch programs, in the assistance of needy*  
13 *persons, in State or Federal penal and corrective institutions,*  
14 *and in publicly owned hospitals; (4) to donate any such*  
15 *commodities in excess of anticipated disposition under (1),*  
16 *(2), and (3) above to nonprofit voluntary agencies regis-*  
17 *tered with the Committee on Voluntary Foreign Aid of*  
18 *the Foreign Operations Administration or other appropriate*  
19 *department or agency of the Federal Government for use*  
20 *in the assistance of needy persons outside the United States.*  
21 *In the case of (3) and (4) above the Secretary shall ob-*  
22 *tain such assurance as he deems necessary that commodities*  
23 *disposed of thereunder will be in addition to and not in*  
24 *substitution for any normal consumption. In order to facili-*  
25 *tate the appropriate disposal of such commodities, the Sec-*



1   retary may from time to time estimate and announce the  
2   quantity of such commodities which he anticipates will be-  
3   come available for distribution under (3) and (4) above.  
4   The Commodity Credit Corporation may pay, with respect  
5   to commodities disposed of under this section, reprocessing,  
6   packaging, transporting, handling, and other charges ac-  
7   cruing up to the time of their delivery to a Federal agency  
8   or to the designated State or private agency, in the case  
9   of commodities made available for use within the United  
10   States, or their delivery free alongside ship or free on board  
11   export carrier at point of export, in the case of commodi-  
12   ties made available for use outside the United States. For  
13   the purpose of this section the terms 'State' and 'United  
14   States' include the District of Columbia and any Territory  
15   or possession of the United States."

16       SEC. 303. The second paragraph of the Act of June 28,  
17   1937 (50 Stat. 323), as amended, is hereby amended by  
18   adding before the period at the end thereof the following  
19   words "and for use in such State penal and corrective institu-  
20   tions as the Secretary may approve".

21       SEC. 304. Whenever the Secretary has reason to believe  
22   that, in addition to other authorized methods and means of  
23   disposing of agricultural commodities owned by the Com-  
24   modity Credit Corporation, there may be opportunity to  
25   protect the funds and assets of the Commodity Credit Cor-

1 poration by barter or exchange of such agricultural com-  
2 modities for strategic materials entailing less risk of loss  
3 through deterioration or substantially less storage charges, he  
4 is hereby directed to use every practicable means to assist  
5 other Government agencies and private trade channels in  
6 arranging and making such barters or exchanges or to  
7 utilize the authority conferred on him by section 104 (h)  
8 of the Commodity Credit Corporation Charter Act to make  
9 such barters or exchanges. Strategic materials so acquired  
10 by the Commodity Credit Corporation shall be considered as  
11 assets of the Corporation and other agencies of the Govern-  
12 ment, in purchasing strategic materials, shall purchase such  
13 materials from Commodity Credit Corporation inventories to  
14 the extent available in fulfillment of their requirements.  
15 The Secretary is also directed to assist, through such means  
16 as are available to him, farmers' cooperatives in effecting  
17 exchange of agricultural commodities in their possession for  
18 strategic materials.

Amend the title so as to read: "An Act to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes."

Passed the Senate July 28 (legislative day, July 27), 1953.

Attest:

J. MARK TRICE,  
*Secretary.*











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# AN ACT

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To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

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JULY 29, 1953

Referred to the Committee on Agriculture

JUNE 9, 1954

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 11, 1954  
For actions of June 10, 1954  
83rd-2nd, No. 107

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HIGHLIGHTS: Senate committee voted to report watershed bill. House committee reported trade agreements bill, and Rules Committee cleared it. House Rules Committee cleared surplus commodities bill. House passed Labor-HEW appropriation bill. House Rules Committee voted to report resolution to send housing bill to conference. House recalled tobacco penalty bill to correct date.

## SENATE

1. SOIL CONSERVATION. The Agriculture and Forestry Committee voted to report (but did not actually report) H. R. 6788, to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation. The "Daily Digest" states, "Major amendments adopted by the committee would;  
"1. Eliminate requirement that each project be approved by the Senate and House Committees on Agriculture;  
"2. Require that application of local organization for a project be approved by the appropriate State agency, or if no authorized agency, the State governor;  
"3. Require local organizations to acquire land, easements, and rights-of-way necessary for project, but delete provisions requiring them to turn such land and rights over to the Federal Government;  
"4. Require compliance with State water rights laws;  
"5. Require local organizations to secure agreements that not less than 50 percent of the land above a retention reservoir installed with Federal assistance will be treated with proper soil conservation practices;  
"6. Delete authority of the Department of Agriculture to contract for construction of works of improvement in watershed projects;  
"7. Require approval of the Congress of any dams providing between 2,000 and 5,000 acre-feet capacity; and  
"8. Provide that the President shall prescribe rules to assure coordination of the work under the act and related work of other agencies." (p. D661.)

## HOUSE

2. TRADE AGREEMENTS. The Ways and Means Committee reported without amendment H. R. 9474, to continue the reciprocal trade agreements program for 1 year (H. Rept.



1777)(pp. 7553, 7578). The Rules Committee reported a resolution for consideration of this bill (p. 7578). It is expected that the bill will be debated today (p. D663).

3. LABOR-HEW APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 9447 (pp. 7555-74).

4. SURPLUS COMMODITIES. The Rules Committee reported a resolution for consideration of S. 2475, which would be known as the "Agricultural Trade Development and Assistance Act of 1954" (p. 7578). This bill provides as follows:

Title I - Sales for Foreign Currency: Authorizes the President to negotiate and carry out agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies. Directs CCC, in accordance with directions of the President, to make available surplus agricultural commodities acquired by it; and authorizes letters of commitment to facilitate transactions under the bill through private trade channels. Authorizes appropriations to reimburse CCC for costs of commodities and administration. Limits transactions under this title to \$1 billion and (in general) to June 30, 1957. Permits the President to use these foreign currencies for development of new markets, purchase of materials for stockpiling, procurement of military equipment, goods or services for other friendly countries, increased production for domestic needs in friendly countries, payment of U. S. obligations abroad, foreign loans, etc.

Title II - Famine Relief and Other Assistance: Directs CCC to make available to the President such surplus agricultural commodities as the President may request for transfer to friendly countries or populations for relief purposes. Permits the President to grant surpluses to friendly nations to assist low-income groups through cooperatives. Authorizes use of \$100,000,000 worth of surpluses without regard to title II of the Mutual Defense Assistance Control Act. Encourages use of voluntary relief agencies. Limits total expenditures under this title to \$300,000,000, and limits the undertaking of new projects to June 30, 1957.

Title III - General Provisions: Authorizes the President to use CCC commodities to relieve distress in the U. S. (1) in areas of acute distress caused by unemployment, etc., if such use will not displace normal marketings, and (2) in connection with major disasters such as floods and tornadoes. Amends Sec. 416 of the Agricultural Act of 1949 so as to eliminate its limitation to "food" commodities, eliminate the necessity of finding that commodities are in danger of loss through deterioration or spoilage, establishment of barter as a priority disposal method, authority to dispose of commodities to State and Federal penal and correctional institutions and publicly owned hospitals, requirement that such use will not replace normal consumption, permission for advance estimates of available commodities, and authority for CCC to pay reprocessing, packaging, handling, and transportation charges up to time of delivery for distribution or export. Encourages exchanges of surplus agricultural commodities for strategic materials when such exchanges will protect the funds and assets of CCC.

5. TOBACCO QUOTAS. Recalled from the Senate S. 3050, to increase the penalty for excess marketing of tobacco, so as to correct the effective date (p. 7554).

6. HOUSING LOANS. The Rules Committee voted to report a rule to send H. R. 7839, the housing bill, to conference (p. D664). This bill includes a provision to continue the rural-housing program administered by this Department.

7. D. C. APPROPRIATION BILL, 1955. The Appropriations Committee reported without amendment this bill, H. R. 9517 (H. Rept. 1780)(p. 7578).



## CONSIDERATION OF S. 2475

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JUNE 10, 1954.—Referred to the House Calendar and ordered to be printed

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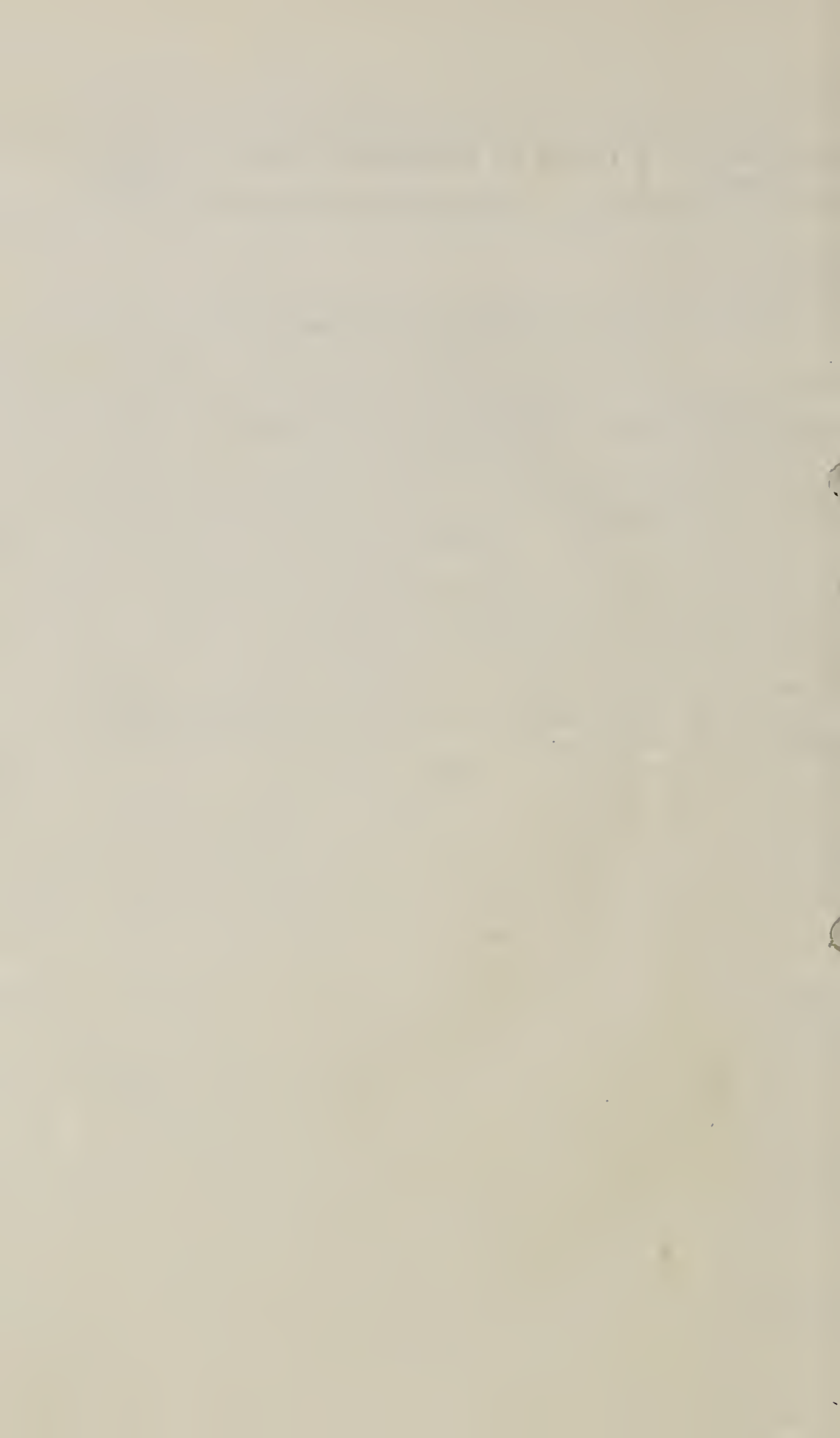
MR. ALLEN of Illinois, from the Committee on Rules, submitted the following

## REPORT

[To accompany H. Res. 581]

The Committee on Rules, having had under consideration House Resolution 581, report the same to the House with the recommendation that the resolution do pass.







## House Calendar No. 200

83<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. RES. 581

[Report No. 1803]

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### IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 1954

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

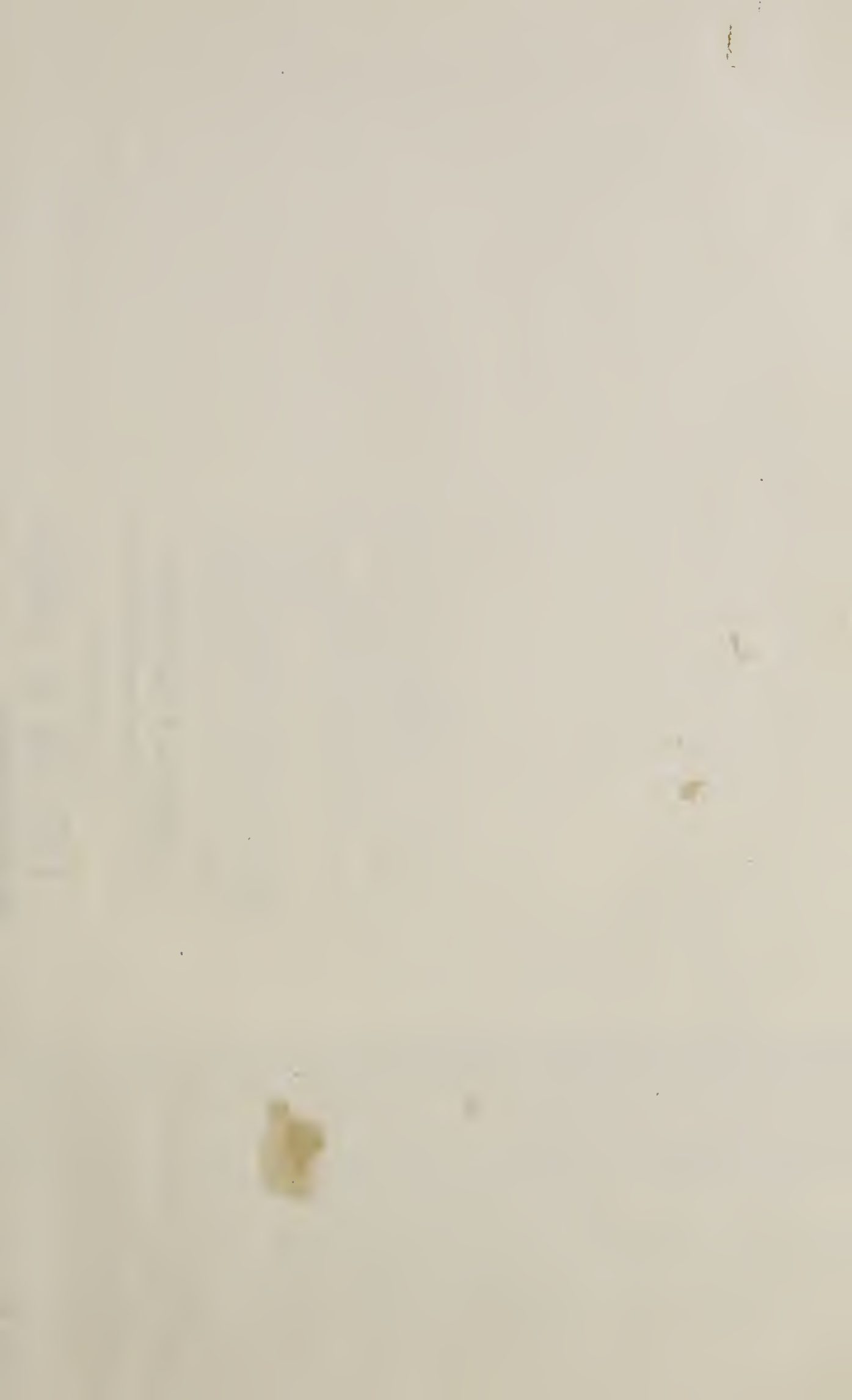
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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself  
3 into the Committee of the Whole House on the State of  
4 the Union for the consideration of the bill (S. 2475) to  
5 authorize the President to use agricultural commodities to  
6 improve the foreign relations of the United States, and for  
7 other purposes, and all points of order against said bill are  
8 hereby waived. After general debate, which shall be con-  
9 fined to the bill, and shall continue not to exceed two and  
10 one-half hours, to be equally divided and controlled by the  
11 chairman and ranking minority member of the Committee  
12 on Agriculture, the bill shall be read for amendment under

1 the five-minute rule. It shall be in order to consider with-  
2 out the intervention of any point of order the substitute  
3 amendment recommended by the Committee on Agricul-  
4 ture now in the bill, and such substitute for the purpose of  
5 amendment shall be considered under the five-minute rule  
6 as an original bill. At the conclusion of such considera-  
7 tion the Committee shall rise and report the bill to the  
8 House with such amendments as may have been adopted,  
9 and any member may demand a separate vote in the House  
10 on any of the amendments adopted in the Committee of the  
11 Whole to the bill or committee substitute. The previous  
12 question shall be considered as ordered on the bill and  
13 amendments thereto to final passage without intervening  
14 motion except one motion to recommit with or without  
15 instructions.





83<sup>d</sup> CONGRESS  
2<sup>d</sup> Session

# H. RES. 581

[Report No. 1803]

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## RESOLUTION

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Providing for the consideration of S. 2475, a bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

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By Mr. ALLEN of Illinois

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JUNE 10, 1954  
Referred to the House Calendar and ordered to be printed









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 16, 1954  
For actions of June 15, 1954  
S3rd-2nd, No. 110

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HIGHLIGHTS: House debated surplus commodities bill. House Rules Committee cleared bills to continue rural housing program, provide for motor vehicle pools, and revise Virgin Islands organic act. House committee reported bill to transfer CCC seeds to Forest Service, etc. House received conference report on independent offices appropriation bill. Senate passed bills to: Transfer USDA grape research station to U. of Calif, authorize 3/8 bu. basket, transfer land tract for extension work in Tex. Senate committee ordered reported bill to extend trade agreements program. Sen. Aiken inserted and discussed new USDA regulations on ADC committees. Sen. Martin introduced and discussed bill to establish national water resources policy. Sen. Wiley introduced self-help dairy bill. Sen. Welker introduced and discussed bill to require potato labeling and inspection.

## HOUSE

1. SURPLUS COMMODITIES. Began debate on S. 2475, the proposed "Agricultural Trade Development and Assistance Act of 1954" (pp. 7826-59). (For provisions of this bill see Digest 107.) Agreed to an amendment by Rep. Kelly, N. Y., to clarify the term "friendly nation" (pp. 7853-4). Agreed, 59-26, to an amendment by Rep. Dies to require the President to secure (as well as seek) commitments to prevent undesirable resale or transshipment (pp. 7854-5). Rejected, 37-74, an amendment by Rep. Dies to prohibit sale of agricultural commodities to any nation which exports or sells agricultural commodities to any Communist nation (pp. 7854-7). Agreed to various perfecting amendments by Reps. Judd and Burleson (pp. 7857-9).
2. HOUSING. The Rules Committee reported a resolution to send to conference H. R. 7839, the housing bill which includes a provision extending the farm housing program administered by this Department (p. 7810).
3. VEHICLES; FURNITURE. The Rules Committee reported a resolution for consideration of H. R. 8753, to authorize GSA to establish and operate Government motor pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct GSA to report the unauthorized use of Government motor vehicles, and to authorize the Civil Service Commission to regulate



operators of Government vehicles (p. 7810).

4. VIRGIN ISLANDS. The Rules Committee reported a resolution for consideration of H. R. 5281, to revise the Virgin Islands organic act including a provision regarding importation of diseased animals (p. 7810).
5. CCC SEEDS; FORESTRY. The Banking and Currency Committee reported with amendment S. 2987, to provide for transfer of surplus CCC seeds to the Forest Service and the Bureau of Land Management (H. Rept. 1871)(p. 7863).
6. D. C. APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 9517 (pp. 7809-10).
7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 8520, to provide for construction of the Ainsworth, Lavaca Flats, Pirage Flats Extension, and O'Neill irrigation developments as units of the Missouri River Basin project (H. Rept. 1868)(p. 7863).  
This Committee also reported without amendment H. R. 8027, to extend the time during which Interior may enter into amendatory repayment contracts under the Federal reclamation laws (H. Rept. 1869)(p. 7863).  
House conferees were appointed on H. R. 5731, to authorize facilities for joint use of the Navy and farmers on the Santa Margarita River, Calif. (p. 7810). Senate conferees have not yet been appointed.  
The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 236, to authorize the Fryingpan-Arkansas project (p. D686).
8. SCS AUDIT. Received from the Acting Comptroller General a report on the audit of SCS for the fiscal years 1951 and 1952; to Government Operations Committee (p. 7863).
9. RESEARCH. Received from this Department a printed copy of the OES report for 1953 (p. 7863).
10. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Received the conference report on this bill, H. R. 8583 (pp. 7859-61). It is expected that this matter will be considered today (p. D685). The conferees recommended revised amounts for the Council of Economic Advisers, management improvement fund, Advisory Committee on Weather Control, GSA buildings management, National Science Foundation, and Tennessee Valley Authority.

SENATE

11. CONTAINERS. Passed without amendment H. R. 8357, to amend the Standard Container Act so as to provide for a 3/8 bushel basket for fruits and vegetables (pp. 7781-2). This bill will now be sent to the President.
12. LAND TRANSFERS. Passed without amendment H. R. 3097, to donate the USDA Grape Research Station at Oakville Calif., to the Univ. of Calif. (pp. 7790, 7793-6). This bill will now be sent to the President.  
Passed without amendment H. J. Res. 300, to convey to the Texas Hill Country Development Foundation of certain surplus land situated in Kerr County, Texas for use of 4-H clubs, etc. (p. 7772). This bill will now be sent to the President.  
Passed with amendment (correcting a typographical error) H. J. Res. 458, to direct the Secretary of Agriculture to quitclaim retained rights in a tract of former FMA land to the Board of Education of Irwin County, Ga. (pp. 7771-2).



issue to John McMeel No. 1 a patent-in-fee to the following described lands allotted to him on the Fort Belknap Indian Reservation, Montana: Northeast quarter; east half of the northwest quarter of section 31; west half of the northwest quarter of the southwest quarter of the northwest quarter of section 32, township 26 north, range 24 east, Montana principal meridian, containing two hundred forty-five acres.

SEC. 2. Said patent-in-fee when issued shall contain a reservation to the Fort Belknap Indian Community, in accordance with the provisions of the act of March 3, 1921 (41 Stat. 1355), of all minerals, including coal, oil and gas.

SEC. 3. Any of the lands above described which may be situated within a Federal irrigation project are subject to a lien, prior and superior to all other liens for the amount of costs and charges due to the United States for and on account of construction, operation, and maintenance of the irrigation system or acquisition of water rights by which said lands have been or are to be reclaimed and the lien so created is hereby expressly reserved in accordance with the provisions of the act of March 3, 1921 (41 Stat. 1357), and the act of March 7, 1928 (45 Stat. 200-210), as supplemented by the act of July 1, 1932 (47 Stat. 564, 565).

With the following committee amendment:

Page 2, strike out lines 7 to 17, inclusive, and insert the following:

"SEC. 3. Pursuant to the provisions of the act of March 3, 1921 (41 Stat. 1355, 1357), and the act of March 7, 1928 (45 Stat. 200-210), as supplemented by the act of July 1, 1932 (47 Stat. 564, 565), said patent-in-fee when issued shall contain a provision that any of the above-described lands which may be situated within a Federal irrigation project are subject to a lien, prior and superior to all other liens for the amount of costs and charges due to the United States for and on account of construction, operation, and maintenance of the irrigation system or acquisition of water rights by which said lands have been or are to be reclaimed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### AMERICUS AND SUMTER COUNTY CHAMBER OF COMMERCE, GEORGIA

The Clerk called the bill (H. R. 8501) to provide for the conveyance of certain land in Sumter County, Ga., to the Americus and Sumter County Chamber of Commerce.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Administrator of General Services is hereby authorized and directed to convey to the Americus and Sumter County Chamber of Commerce, a corporation, all right, title, and interest of the United States in and to the land described in section 2 in consideration of \$1. The Americus and Sumter County Chamber of Commerce paid the owner of said land the reasonable value thereof in 1947, in return for the owner transferring said lands to the United States in consideration of \$1, the intent of said chamber of commerce being that said land be donated to the United States for the construction thereon of a Veterans' Administration hospital. Such hospital has not been constructed, and said

land has been declared surplus by the Administrator of Veterans' Affairs.

SEC. 2. The land referred to in the first section of this act is the land transferred to the United States on August 29, 1947, by a deed recorded in deed book No. 36, pages 39-41, on August 29, 1947, in the office of the Clerk of the Superior Court of Sumter County, Ga. Said land is described in such deed as follows: All that certain tract or parcel of land situate, lying and being in land lot numbered 125 in the Twenty-seventh District of Sumter County, Georgia, and lying partly within the city limits of the city of Americus, said county, and more particularly described as follows:

Beginning at the northeast corner of the intersection of United States Highway No. 19 and Lester Avenue, thence east along the north boundary of Lester Avenue eight hundred and thirty feet to a point, thence due north a distance of one thousand two hundred and twenty feet, thence due west nine hundred and seventy feet to the east boundary of United States Highway No. 19, thence in a southerly direction along the east boundary of United States Highway No. 19 to the point of beginning.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EQUITABLE INFANTS WEAR, INC.

The Clerk called House Resolution 561.

There being no objection, the Clerk read the resolution, as follows:

*Resolved*, That the bill (H. R. 1134) entitled "A bill for the relief of Equitable Infants Wear, Inc.," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections, and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to, and a motion to reconsider was laid on the table.

#### HENRY J. KRUEGER ET AL.

The Clerk called House Resolution 562. There being no objection, the Clerk read the resolution, as follows:

*Resolved*, That the bill (H. R. 9265) entitled "A bill for the relief of Henry J. Krueger and others," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to, and a motion to reconsider was laid on the table.

#### MARTIN LUTHER JOHNSON

The Clerk called the bill (H. R. 3222) for the relief of Martin Luther Johnson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Martin Luther Johnson, Bismarck, N. Dak., the sum of \$500, in full settlement of all claims of the said Martin Luther Johnson against the United States on account of injuries he sustained on December 1, 1943, while he was employed by the Department of the Navy at the Puget Sound Naval Shipyard, Bremerton, Wash.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MRS. ANNA ELIZABETH DOHERTY

The Clerk called the bill (H. R. 3245) for the relief of Mrs. Anna Elizabeth Doherty.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Anna Elizabeth Doherty, Atlantic City, N. J., the sum of \$3,613.30. The payment of such sum shall be in full settlement of all claims of the said Mrs. Anna Elizabeth Doherty against the United States for payment of allotments to which she was entitled as the lawful wife of Joseph F. Doherty (a member of the U. S. Navy) during the period beginning January 1, 1951, and ending October 31, 1952, but which she never received. The said Joseph F. Doherty obtained an invalid divorce from the said Mrs. Anna Elizabeth Doherty and subsequently entered into a bigamous remarriage, as a result of which the Department of the Navy, without investigation, withheld payment of such allotment to the said Mrs. Anna Elizabeth Doherty during such period: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CATHERINE D. PILGARD

The Clerk called the bill (H. R. 3732) for the relief of Catherine (Cathrina) D. Pilgard.



There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That Catherine (Catharina) D. Pilgard, Hartford, Conn., who served as a volunteer Spanish-American War nurse during the period beginning July 4, 1898, and ending August 17, 1898, and as a nurse in the Army Nurse Corps under contract during the period beginning August 20, 1898, and ending October 25, 1898, when she was honorably discharged from such corps, is hereby granted all of the rights, benefits, and privileges which are granted to persons who served in the Nurse Corps under contract for 70 days or more during the war with Spain and were honorably discharged therefrom.

With the following committee amendment:

Page 2, line 2, after the word "therefrom", change the period to a colon and add the following: "Provided, That she shall not be entitled to any benefits prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PETRA RUIZ MARTINEZ

The Clerk called the bill (H. R. 5028) for the relief of Petra Ruiz Martinez.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$15,000 to Petra Ruiz Martinez, of the Island of Vieques, P. R., in full settlement of all claims against the United States on account of the injury and death of her minor son, Juan Martinez Ruiz, who died on July 14, 1940, as the result of personal injuries sustained by him on that date when he was struck by a United States Army truck on the road leading from Vieques to Santa Maria: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, after the words "sum of", strike the balance of line 5 and all of lines 6 to 11 on page 1 and the word "Marla", on page 2 and insert the following: "\$5,000 to Petra Ruiz Martinez, and to pay the sum of \$5,000 to Marcelo Maysonet Mirell, and Maria Benitez de Maysonet Mirell, all of the island of Vieques, Puerto Rico, in full settlement of all claims against the United States on account of the death of their minor sons, Juan Martinez Ruiz and Juan Gilbert Maysonet Benitez, who died on July 14, 1940, as the result of personal injuries sustained by them on that date when they were struck by a United States Army truck on the road leading from Vieques to Santa Maria."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Petra Ruiz Martinez and Marcelo Maysonet Mirell and Maria Benitez Maysonet Mirell."

A motion to reconsider was laid on the table.

#### MRS. JOHN WILLIAM BRENNAN

The Clerk called the bill (H. R. 6784) for the relief of Mrs. John William Brennan.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the late John William Brennan, Sr. (Veterans' Administration claim No. XC-813491), who died on September 15, 1952, shall be held and considered to have had in effect at the time of his death United States Government life insurance in the amount of \$10,000, and the Administrator of Veterans' Affairs shall pay such insurance to Mrs. John William Brennan, widow of the said John William Brennan, Sr.

With the following committee amendment:

Page 1, line 7, strike out "\$10,000" and insert "\$4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### GUNTHER H. HAHN

The Clerk called the bill (H. R. 7931) for the relief of Gunther H. Hahn.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

#### DAVID DEL GUIDICE

The Clerk called the bill (H. R. 8054) for the relief of David Del Guidice.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David Del Guidice, Newark, N. J., the sum of \$120. Such sum represents reimbursement to the said David Del Guidice for paying out of his own funds a judgment rendered against him in the courts of the State of New Jersey, arising out of an accident occurring in December 1952, when the said David Del Guidice was operating a Government vehicle in the course of his duties as an employee of the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SMITH of Wisconsin. Mr. Speaker, this concludes the call of the bills for which we have reports. I ask unanimous consent that the further call be suspended at this time.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order to call the Private Calendar again on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 581 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2½ hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. SCOTT. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and yield myself 5 minutes.

Mr. Speaker, I rise to urge the adoption of House Resolution 581 making in order the consideration of the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

House Resolution 581, Mr. Speaker, provides for an open rule, waiving points of order and provides for the consideration of the committee substitute amendment as an original bill. One motion to recommit with or without instructions would be in order and 2½ hours of general debate would be provided on the bill itself.

Mr. Speaker, this bill would authorize the use of \$1 billion over the next 3



years to broaden the program for sale of food and fiber for the local currencies of other nations, and a program of barter for strategic materials needed by the United States.

This proposed bill would also permit the President, to the extent of \$300 million in the 3 years, to furnish emergency assistance on behalf of the people of the United States to friendly peoples of other nations in order to meet famine and other urgent relief requirements.

Finally, this proposed bill would make commodities available for relief distribution abroad by private nonprofit welfare organizations and would expand the availability of food for needy persons, here in our own country and would also increase the amount available for the school-lunch program.

Mr. Speaker, the report on this bill brought out the fact that during World War II American farmers were called on to produce at the highest possible level. Agricultural output was increased by 40 percent over prewar levels and consequently our farm productive capacity is running in excess of current demands. This bill, S. 2475 proposes to expand the world outlets for our farm products.

However, Mr. Speaker, in this bill while we would go ahead developing these new markets for our farm products through sale for local currencies, there are certain rigid standards which are set forth in order to ensure the proper functioning of this legislation.

The President is required in this bill to safeguard against displacement of usual marketings of the United States or friendly nations and to try to make sure that sales will not disrupt world prices. Another requirement in this program is to make sure that private trade channels are used both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation, insofar as this is practicable.

The \$1 billion in the trade program will be employed to reimburse the CCC for commodities taken out of CCC stocks, to convert to dollars the local currencies of other countries received by private American exporters for goods delivered abroad under the program and in meeting the other expenses of the program.

Mr. Speaker, we all know that the problem of surplus foodstuffs sitting in our warehouses until they decay has been one of our challenging and difficult problems. We have spent millions of dollars just storing the food in addition to the loss of the food itself when it goes bad. Here in this bill is the beginning of what appears to be a solution of the problem. I hope that the House membership will see fit to adopt the rule so that we may proceed to the consideration of this bill.

(Mr. SCOTT asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Speaker, I have no requests for time. I do not know of any objection to the rule, though there may be some to the bill.

Mr. SCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I am happy to support S. 2475, which authorizes the President to negotiate and carry out agreements with friendly nations to provide for the sale of American surplus agricultural commodities in exchange for foreign currency.

In March of this year I introduced a companion bill, H. R. 8396, which, for practically all purposes, is identical with S. 2475.

You gentlemen of the House are familiar with the fact that our surplus agricultural produce has increased over the past several years and that there is a serious need to expand our exports if our agricultural program is to survive. Now is the time for those in America interested in agriculture to close ranks and take concerted action to expand our export markets for farm products.

I need not describe the feverish attempts in this body to devise alternatives to expanding our export markets. However, it is my opinion that the principles of S. 2475 is the only program that has come to grips with the problem of expanding our export markets.

From 1939 until 1949 the Government encouraged every farmer in America to grow more crops in order that we might assist in feeding a hungry free world. During those years some of our agricultural produce was purchased in the free markets. Most of it, however, was traded under the mutual security assistance program, whereby countries abroad had a drawing account on our own farms with which to purchase American agricultural surplus. When this program came to an end last year we were presented with an imminent situation of having no export markets.

It was true these countries still needed our produce but were not or had not been able to buy during the past year.

Last summer, while I was in Europe, I visited with every agricultural attaché and with every Foreign Administration Operations mission west of the Iron Curtain to find out why our agricultural export market had fallen to almost zero. On every hand I learned that the countries of western Europe and the Near East wished to purchase our agricultural products. However, there was a serious shortage of dollars because of a lack of a sound trade program in those countries. They were not able to sell their own produce in our country with which to earn dollars. Not being able to earn dollars, they could not purchase our agricultural products which they ordinarily used such as cotton, wheat, corn, soybeans, tobacco, and fruit. Here, for the first time, I was faced by the blank wall of nonconvertibility of currencies. We would accept only dollars in exchange for our goods.

The bill under consideration authorizes the President to negotiate the sale of our surplus agricultural commodities in exchange for the foreign currency of the country purchasing our products. In one fell blow, we have solved the question

of convertibility of currency. With these currencies we may then do business with other countries that use that particular currency. American businessmen may purchase those currencies for our own dollars and, in turn, use those foreign currencies in the countries which do business with us.

This act sets up a revolving fund of \$1 billion to carry out the provisions of this act. May I emphasize that we are not giving away any of our surplus agricultural produce. We will exchange our products for the currency of the country in question and will have those currencies available at all times for expenditure in those countries.

This new program embodies an imaginative and, at the same time, a business-like approach to this problem. It treats our agricultural abundance as an asset and not as an unmanageable surplus of which we are ashamed, and therefore feel obliged to give away.

In this bill we have considered the responsibility of the United States as a leader of the free world. We have considered the protection essential to the welfare of friendly competing exporters of foreign products. We have considered the needs of our customers and their potential ability to pay for the products they need. We considered the stocks of the Commodity Credit Corporation as assets, as capital with which we could promote economic development, expand markets, increase production and employment among cooperating nations. These are accomplishments needed for national security and for national economic strength, which otherwise might not be done.

There is nothing new about accepting foreign exchange among countries which engage in international trade. These age-old practices have been undertaken by countries in all times. It is only new for the United States.

The basic idea is to sell farm products for foreign currency which is to be deposited to the account of the United States. The currencies are to be used as a revolving fund. The use of these funds involves two phases. First, for increasing the ability of customers to buy all manner of produce and, second, to get maximum possible repayment for the United States.

The first phase of the entire program is concentrated on increasing the earning power of customer nations by means of relatively short-term loans. This involves promoting economic development, increasing production for export, expanding international trade, increasing gainful employment and stimulating economic activity generally.

The second phase in the use of this revolving fund is to assure maximum repayment to the United States. By constructively creating new markets for farm products with grants or loans, we are solving the long-term problem of our own farm surpluses from year to year.

It is worthy of note that the House Committee on Agriculture studied over sixty bills introduced by as many members of the House, and proposals by



many other organizations and individual citizens with respect to the disposal of our agricultural surpluses. From all of these bills S. 2475 has been chosen as the one most likely to succeed. It places particular emphasis on developing the widest foreign trade outlets to our farmers. When we realize that agricultural output in this country has increased by 40 percent over prewar levels, every Member of this House can understand the necessity for a sound export market from year to year.

This bill is sound, businesslike and dignified. Nothing I know of helps to build human dignity like buying produce which other people have to sell. This program is based on a concept of producing, selling, and buying. I like this program because it provides the fundamental attributes of human dignity. It is a program based on mutual aid—through trade. It is a new, imaginative and creative program. In my opinion, all who help to enact such a program will take increasing pride in having contributed to this constructive legislation.

(Mr. SPRINGER asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Speaker, as one of the authors, on the group of bills which went into the committee and came out today as S. 2475, I am naturally in favor of the bill and in hope that it will pass by an overwhelming vote.

The gentleman from Illinois [Mr. SPRINGER] has detailed many of the good things about the bill. There are others. It offers a means of using surplus foods to increase friendships. It provides a means of sending our surplus products into areas which, in the future, knowing these products, may become consumer areas; that is, purchasers. The surpluses may be used, under certain conditions, in our own country. Such repackaging as may be necessary is provided for in the bill.

I am compelled to leave the floor, to go into which I hope will be the final conference meeting over the independent offices appropriation bill, so I have asked for this recognition to express my approval of this bill, and my hope that it will pass by a good vote. I shall be back, of course, in time to vote for it myself.

(Mr. PHILLIPS asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Speaker, this bill has a great deal of merit. And any criticism I may have to offer does not mean that I am in opposition to the whole bill.

It must be recognized, however, that the need for this legislation is a consequence of other legislation which has loaded the Government with surpluses which nobody knows what to do with. The need for this legislation is a consequence of a foolish piece of legislation which, contrary to all principles of free

enterprise, has made the United States Government the biggest trader and the biggest speculator ever involved in the agricultural industry.

It can be said without question that we, as Congressmen representing people who have repeatedly reaffirmed their faith in the free enterprise system, have voted the Government into the business of buying and selling basic agricultural crops to the point where free enterprisers no longer are involved in the basic problems of buying and storing and distributing corn, wheat, cotton, tobacco, peanuts and rice.

Where are the great traders who, in the past generation, with their own money and at the risk of their own money, purchased these crops, paid for their storage and put these crops into every possible consumer outlet, not only in this country but throughout the world? They are dead and gone or merely lying in wait to take advantage of a Government blunder in pursuing its most inefficient system of distribution. The Communists and the Socialists will say that in the old days we had speculators reaping a rich harvest from the poor farmers and stupid buyers, but you must remember that when we had a free enterprise system there was plenty of competition in speculation and only the wise and efficient won profits.

Now we think nothing of robbing the taxpayers for \$700,000 a day just to pay the storage charges on surpluses which have been accumulated on the theory that they should not be allowed to go freely into consumptive channels for fear consumer prices would get too low for the poor farmers to make money with which to continue their unjustifiable expansion of production.

Such a scheme could be perpetrated on this country only because of the ignorance of the general taxpayer who cannot specify the use of his money, and the ignorance of the consumer who has never been informed as to how this scheme affects consumer prices.

But now I shall direct my attention to this surplus disposal bill. We have enormous surpluses, amounting in dollars to approximately \$8 billion. The greatest worry of our committee has been disposal without disclosure. Nobody knows what to do with these surpluses, and I am sure many would like to see them evaporate or sink in the sea so that they could not disrupt the basic scheme of subsidizing unlimited production.

When I say they would like to see them disappear without any disclosure of their presence, I am sure some will say I am unfair, but I can assure you that I have heard many criticisms of the present Department of Agriculture for its publicity of the surplus totals and the storage costs. They say the Department is trying to enlighten urban consumers so that urban Congressmen will become aware of the implications of the farm price support program as related to the interests of their constituency.

But, what are we going to do with these surpluses? We must do something and this scheme of acceptance of foreign

currencies and giveaway to foreign needy is as good as any. I hope we can get countries to buy with their own currency or accept these commodities as a gift without disrupting the world market and making every other agricultural exporting country mad at us. That is only a hope. It is not likely that it can be done.

Yes, I approve this bill as the best solution of a bad situation insofar as it moves these surpluses outside of this country, but I want to point out to you that the provisions of this bill dealing with domestic distribution put the finishing touches on the perfection of the purest socialistic scheme ever perpetrated on this country.

I know you will ask, How can you be so liberal with foreign countries and so stingy with our own people. I am neither liberal in the first case nor stingy in the second place. I only want to point out to you that the basic theory of the price support program is that the Government purchase these surpluses and thereby relieve the domestic market from the pressure of quantities in excess of consumer demand. If the Government now starts quantity distribution of these surpluses within this country, the original price support program becomes a giant fraud, for it will only weaken the domestic demand on the free market and force more into the hands of the Government.

Despite the interference of the Government, the free market, operating at a level generally lower than the support prices, has done a good job of distributing food to our people. This country is literally choking with food and the distributing system has been so effective that even the lowest-income group is eating well. The number of hungry people, because of their inability to buy, is so small as to be insignificant in this great country of 160 million people. The only way to increase consumption within the United States is to popularize obesity.

I would not contend that everyone has a well-balanced, perfect diet. But that is largely a matter of preference, and the lack of a good diet will be corrected only by education. I do contend that if everyone in this country stuck to a perfect diet the domestic consumption of foodstuffs would decrease rather than increase.

Now, in order to rescue the farm price support program, this bill provides for free domestic distribution in a half-dozen different ways.

It may be distributed in any area of the United States declared by the President to be an acute distress area because of unemployment or other economic causes. This will work like drought relief.

Last year we voted to rescue the farmers who had developed acreage in the arid regions of a few counties in Texas and western Kansas, in accordance with the President's declaration of need. But before the end of the year, the scope of the relief had been extended to areas scattered all over the United States,



wherever there was the slightest evidence of a poor crop because of weather.

Under the provisions of this bill, every unemployed area in the United States designated as No. 3 area will be crying for free distribution of these surpluses.

They will be distributed to major disaster areas as determined by the President to warrant assistance. If this means flood and tornado areas, it can be justified as temporary charity to meet such disaster.

The Bureau of Indian Affairs, and any State, Federal, or private agency or agencies, as may be designated by proper State or Federal authority, will have their schemes for distribution to the needy. Any private agency who wants to enhance its social program by the distribution of food will be eligible for application.

The school-lunch program is emphasized, I suppose with the thought that school kids do not eat much unless it is free.

State and Federal institutions and all public hospitals are qualified to ask and receive. But, here, in their great concern for free enterprise, they specify that the Secretary is required to obtain assurances "that use of donated commodities will be in addition to, and not in substitution for normal consumption." This silly provision assumes that hospital managers, who should be expert dietitians, will buy their usual quantities in the open market and then, in serving meals, will put a hunk of cheese on each tray and say to the patients, "This is more than you have been getting and probably more than you need, but you must eat it to relieve the Government of its surpluses."

Yes; this scheme of domestic distribution will either amount to nothing or it will be the climactic perfection of the Socialist scheme of Government production and distribution. You may say, "Oh, this is just temporary," but we all know that temporary things have a way of becoming permanent and small schemes have a way of growing into big schemes with every congressional district having its pressure group demanding more and more participation.

This bill will pass with few dissenting votes. But I hope you will realize that we are dealing with a consequence and not a cause. Some time later in this session you will probably have a chance to deal with the cause. Our committee, by a vote of 21 to 8, committed to you for your consideration the continuance of the rigid price support program throughout all of this year and all of next year. The decision of this Congress on that matter will be a fateful decision.

Mr. SCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. Bowl].

Mr. BOW. Mr. Speaker, I support this program. I believe it will be of interest to the House to know what advantages come from the giving of surplus food to the people of the world.

In Karachi, where we sent wheat last year, it is now necessary for this Government to build an embassy office building. I bring to the attention of the House the fact that because of the giving of wheat,

the Government of Pakistan has offered to supply, free of all cost to the United States, in appreciation of that wheat, the labor costs involved in the construction of the building, which will amount to about \$500,000. In other words, out of appreciation for the surplus foods which we have sent to them they are now furnishing us \$500,000 of labor in the building of a new building for this Government. When we feed hungry people we make lasting friends. I have felt for some time the greatest way we can fight world communism is to fight world poverty.

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentlewoman from Idaho [Mrs. Prostr].

Mrs. PFOST. Mr. Speaker, section 104 of the bill we are considering today deals with the acquisition of strategic and critical materials under the Stockpiling Act. Yesterday, Mr. Speaker, a lead article in the Wall Street Journal began like this:

Lead offerings for the national stockpile at current market prices were rejected by the Government, according to shocked producers of metal.

Mr. Speaker, the producers could not possibly be more shocked by this development than I am.

Is this administration interested in keeping the lead mines on an operating basis, or is it interested only in buying lead at bargain prices? Does it perhaps want the price of lead to go down?

I ask these questions because ever since this administration announced the new stockpiling program late in March we have been given to understand that one of its principal objectives was to aid distressed segments of the domestic mining industry. Last week after long, and to my mind unforgivable delays, a directive on lead and zinc was finally issued by the Office of Defense Mobilization to the General Services Administration and GSA asked for offers of metals from newly mined sources. The ailing lead-zinc industry, many of its mines closed, and many others operating on drastically reduced schedules, hastened to offer some tonnage of metals at the market price of 14¼ cents.

And what happened? The Government tersely said, "Cannot accept at price quoted."

At what price does this administration want to accept lead for its much-advertised stockpiling program? After all, the 14¼-cent price was established on June 2, a week before GSA sent out its requests. I ask again, Does this administration want to push the price of lead down?

This development is the latest in a series of body blows dealt the lead-zinc industry in the past year by the Republican administration. Just about a year ago now we western Members were trying to get through the House the so-called sliding scale import tax bill, which would have given the domestic mining industry some measure of protection from foreign metals dumped on our shores. I did everything possible

to get this bill through, as did most other western Members. But it was killed by administration opposition.

Then shortly after the beginning of this session we westerners got together and appointed a committee of 4 of which I was honored to be one, to confer with the White House and try to find some way to put the distressed lead-zinc industry back on its feet and the men back to work.

Mr. FERNANDEZ. Will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. May I commend the gentlewoman for the very timely information she is relaying to the House, and for the untiring efforts of herself, my colleague the gentleman from New Mexico [Mr. DEMPSEY], chairman, and other members of the bipartisan committee selected by us to confer with the White House on this subject which has been worrying all western Congressmen.

Mrs. PFOST. I thank my colleague from New Mexico for those kind words. I will say to the gentleman that there is no doubt but that this administration's stockpiling program grew out of these and other conferences.

But after all these efforts if what has just happened is any indication of what is ahead, this stockpiling program is a complete dud.

I am not the only one who is indignant. I should like at this point to put into the RECORD an article from the Wall Street Journal of June 14, which describes far better than I can how the lead-zinc industry feels about what has just happened:

LEAD PRODUCERS BAFFLED BY REBUFF FROM STOCKPILERS—MINE OPERATORS WONDER IF GSA WANTS TO BOLSTER OR HURT PRICE OF LEAD

(By Thomas J. Keller)

NEW YORK.—Domestic producers of lead are beginning to ask whether the Government's new stockpiling program is intended to bolster the price or to cut it.

Here's what the lead miners are upset about:

After months of expecting that the Government would resume purchases of both lead and zinc for the stockpile as a means of aiding an ailing domestic mining industry, the General Services Administration last week asked for offers of the metals from newly mined domestic sources. The offers specified delivery by August 2 from United States mine production since April 1, and the producers were to state from which mine the metal came.

Domestic lead producers in response offered fair-sized tonnages of the metal at the market price of 14¼ cents a pound New York. This price had been established June 2, a week before the GSA sent out its requests for lead offers.

LEAD PRODUCERS FLABBERGASTED

Several large domestic producers got their reply late Friday from the agency. It was a terse rejection—with the telegram stating, "Cannot accept at price quoted."

The Government's action, turning down lead offers, after requesting tenders and after having full knowledge of the going price, has the lead people in an uproar.

"If you wanted to depress the market this is the best way you could do it," is the comment of one lead producer.

"It's the most stupid thing I can think of," another said. "Certainly the Government's rejection of lead offers will not aid



the industry. It would have been much better if they, the Government, had never sent out requests for lead."

"It's an outrageous way of doing business—to indicate lead was required if they had no intention of buying any," a lead spokesman said.

Some industry members even went so far as to predict a break in lead's price.

#### SOME ZINC OFFERS ACCEPTED

While the Government was refusing to accept lead offers at the market price, it did wire acceptance of part of the zinc tonnages offered for stockpiling. And the price was the market quotation of 11 cents a pound East St. Louis. There was no indication as to how much was offered but industry members guessed the GSA took about one-third of the zinc tonnage tendered. A few thought the total bought might be around 5,000 tons.

Lead's price has moved up  $1\frac{3}{4}$  cents a pound from the year's low of  $12\frac{1}{2}$  cents set in March and zinc has risen a similar amount from the year's low of  $9\frac{1}{4}$  cents, also established in March. Price rises in both metals have been materially helped by the Government's announcement in March and subsequent statements it intended to help the lead and zinc mining industry by a long-term stockpiling program.

The present buying of zinc represents an interim phase of the new stockpiling project. It pertains to the current fiscal year to end June 30. This long-term program will be spelled out by a directive covering the Government's new fiscal year to start July 1. It is understood the Office of Defense Mobilization will ask Congress for funds to take care of the stockpiling which covers 35 to 40 strategic metals and minerals including lead and zinc.

#### STOCKPILERS' COMMENTS BAFFLING

Washington stockpilers' comments on the current imbroglio do not seem entirely pertinent, in view of producers' receipt of acceptance telegrams for part of the zinc offered, and the terse turndown of lead.

"There have been no official acceptances of either lead or zinc as yet under the long-term program," declared a top stockpile official in the Capital.

"We've had far more lead and zinc offered to us than we could take under the limits of our purchase directive from the Office of Defense Mobilization, so we are now trading back and forth with the producers as to quantity."

He said it is the aim of the GSA to spread its orders for lead and zinc as widely as possible. Therefore it must make counter-offers to the companies naming smaller amounts than the companies originally tendered earlier in the week.

He denied lead producers had been slighted in the process of negotiating. "We've been in touch with both lead and zinc producers," he said.

The market for both lead and zinc was on the quiet side last week and buying was somewhat less than the week before when prices for both metals moved up to their current levels. At that time lead advanced a quarter cent to the  $14\frac{1}{4}$ -cent price and zinc a half cent to 11 cents.

Demand for copper continued excellent last week, particularly for June delivery, producers stated. Some of the buying for June may represent acquisition of supplies before the July vacation shutdowns take place in the brass and wire mills. Orders already booked for June delivery now call for shipment of close to 70,000 tons this month. July delivery orders at this early date range around 6,000 tons. The price was firm at 30 cents a pound.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time.

Mr. SCOTT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2475, with Mr. FORD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Kansas [Mr. HOPE] will be recognized for 1 hour and 15 minutes and the gentleman from North Carolina [Mr. COOLEY] for 1 hour and 15 minutes.

Mr. HOPE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is a bill upon which the Committee on Agriculture has devoted a considerable amount of time, work and study and I know it is a measure in which many Members of the House are directly interested because we have had referred to our committee some 60 bills dealing with the subject of the disposal of surplus agricultural commodities. Some of these bills dealt with disposal in foreign trade, others dealt with the question of a wider and more effective distribution of these commodities here in our own country.

Mr. Chairman, it might be well to refer briefly to the situation which now exists with reference to surplus agricultural commodities. I do not feel that the fact we possess in this country rather large supplies of some agricultural commodities is anything which should necessarily disturb us. I believe that in every other country in the world today there would be rejoicing if those nations possessed anything like the supply of agricultural commodities which we are so fortunate to have in this country; yet it is true that when agricultural surpluses reach a certain point there is involved the difficulty of management. The time has come when we should make some additional effort to dispose to the best possible advantage of these surplus agricultural commodities. Some of them are perishable in nature; others are susceptible of storage for long periods of time; all of them, of course, are included in the provisions of this bill which sets up the method and manner in which these commodities may be disposed.

I am sure there are some who may feel that these surplus agricultural commodities that we possess are the direct result of the price-support program that has been in effect. It may be possible that in some cases failure to administer that program in the most effective way has caused an accumulation of some of these commodities, but I am sure that no one can seriously dispute the fact that the principal reason for this surplus is that American farmers during the war period and since were urged and im-

plored by their Government to increase their agricultural production in the interest of the war effort and in meeting the demands which existed for agricultural commodities at home and abroad. Up until 2 years ago the American farmers were not operating in the main under quotas or controls affecting agricultural commodities, but rather they were being urged to reach certain goals in the production of those commodities, and the fact is that all of the surpluses of any moment which are disturbing us now have been accumulated during the past 2 years.

Just to use one illustration, let me point out that on July 1, 1952, less than 2 years ago, our carryover of wheat in this country was 256 million bushels, which is considerably less than the 10-year average. Yet it is expected that the carryover of wheat on this July 1 will be approximately 875 million bushels. Now, a large part of this is due to the fact that throughout the world during the past 2 years, there have been great increases in wheat production, with the result that our export outlets for wheat and the export outlets of other exporting countries have been cut off and wheat is backing up in a great many countries throughout the world. Yet, no one can say, I am sure, with any voice of authority, that up until 2 years ago we were carrying out a policy in this country as far as wheat production is concerned, which was not a correct and sound policy, not only from the standpoint of good farming but from the standpoint of the marketing of agricultural commodities both at home and abroad.

So, the situation that has confronted agriculture in this country and still confronts it today is that we have built up an agricultural plant in this country designed to produce for a war period and a cold-war period following the end of actual hostilities and that we have suddenly found that with the recovery of many other countries throughout the world, and with good crops and good seasons not only in this country but in other countries, that we do have a plant which is too large for the demand that exists for those commodities at this time. Now, we cannot cut down production in an agricultural plant like you can cut down a steel plant or automobile factory. You cannot close one wing and say, "We are not going to produce here." Of course, we do attempt to adjust our production. We are attempting to do that now in all of the ways that are available. It cannot be done overnight; it cannot be done in 1 year or 2 years or 3 years.

Mr. Chairman, this bill is not only an effort to dispose of these accumulated surpluses, but it is also an effort to build up our foreign markets in agricultural commodities. If you will read the report on this bill, which is pretty well condensed, and which I think thoroughly explains the measure, you will note that there are three titles to this bill.

The first title is designed primarily to build up our market for agricultural commodities now and in the future. It is designed to do this under existing conditions where most currencies are not convertible and when there exists



throughout the world an inability on the part of many nations to trade with us and to trade with each other because of this reason. It is designed to make it possible for this Nation to accept foreign currencies in exchange for these products. Under this title there is a limitation of \$1 billion.

Title II deals with famine relief and other assistance. It is what might in very large measure be called a give-away program although under that program we will, no doubt, secure some foreign currencies. Under title II there is a limitation of \$300 million which may be expended in connection with this assistance-type program.

Title III contains general provisions which relate in the main to the distribution of agricultural commodities in this country but which also deal with some phases of distribution in foreign countries as well. The general nature of the provisions embraced in title III is to increase the number of recipients, and particularly classes of recipients who might receive surplus agricultural commodities. It also makes it possible for the Commodity Credit Corporation to distribute those commodities which have not at the present time deteriorated or are threatened with deterioration. Heretofore, except for commodities that were disposed of under the section 32 program, it is impossible for the Commodity Credit Corporation to distribute commodities which were not deteriorating or threatening to deteriorate.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. JAVITS. I shall ask two questions of the gentleman. First, I should like to say that I thoroughly agree with this effort to dispose of agricultural surplus, regardless of how I may feel—and we will have another chance to debate that—about why it was piled up. But I should like to ask the gentleman whether it is not a fact that under this bill, subsection (b) of section 103, providing for reimbursement to the Commodity Credit Corporation by appropriation, it will result in making the CCC whole in terms of dollars regardless of the price at which these agricultural commodities are sold to foreign countries; and thereby, the Commodity Credit Corporation will not be required to absorb any loss and you are really masking the loss which they are actually taking. Is not that true?

Mr. HOPE. The statement that the gentleman made—I will not attempt to separate it from his conclusions—is correct; that is, the Commodity Credit Corporation will be reimbursed for its investment in these commodities. That is true. Has the gentleman concluded his interrogation?

Mr. JAVITS. I have not. Is it not a fact that they will be reimbursed in full and therefore will not be taking the loss which is actually incurred on the commodity?

Mr. HOPE. The Commodity Credit Corporation will be reimbursed in full, as I stated, for the investment that it has in the commodity.

Mr. JAVITS. Would it not be fair, when we come to decide whether this

outfit has operated at a profit or at a loss to include the difference between the price of sale and the appropriation to reimburse them, as part of their loss?

Mr. HOPE. I do not think the matter of bookkeeping or the question of the method that we use is of any particular importance. The Commodity Credit Corporation will be reimbursed in one way or another. That is, we have always maintained the capital of the Commodity Credit Corporation in order to enable it to carry out its functions. The gentleman would like to have it appear in order to support some of the views he has on price supports that the Commodity Credit Corporation is operating in a certain way, and I am not arguing with him about that at all. It is certainly his privilege to hold that opinion. It is just a matter of the method by which we handle the appropriations for this agency, as I see it.

Mr. JAVITS. My only point is that every time you come in here for another authorization for the Commodity Credit Corporation to give them lending authority it is always contended they have not lost any money, but you mask all their losses in this way so it can appear on the figures that they have not lost any. That is the only point I was making.

Mr. HOPE. I do not agree with the gentleman at all. The gentleman, as intelligent and hardworking as he is, will certainly be able to get the figures to show any losses he cares to show. I am sure he will, and I am sure they will be presented to the House at what the gentleman thinks is the proper time.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to remind my chairman of the fact that the gentleman from New York used the word "mask" as if we had something to conceal in presenting this bill to the House. That is exactly what we are not doing. Is not that true?

Mr. HOPE. That is certainly true. We are not concealing anything.

Mr. COOLEY. We know that the two-fold purpose of this bill is not only to dispose of surplus agricultural commodities—to be sure, that is one of the purposes—but it is to encourage friendships around the world and to rehabilitate and to feed starving people. We are not masking about it at all.

Mr. JAVITS. I did not intend the word invidiously at all, and will revise my remarks to show that.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mrs. KELLY of New York. On page 4 of this bill, section 2, you refer to the sale to friendly nations. Will the gentleman define that term for me, and tell me whether under this bill the administration would permit the sale of these surplus commodities to Russia, the U. S. S. R., and the Iron Curtain bloc?

Mr. HOPE. This is not the first time that this term has been used in legislation of this kind. In the bill which we passed last year dealing with the distri-

bution of surplus commodities, whereby we gave the President authority to distribute \$100 million worth of those commodities, the same language was used. I am sure that it is not intended to include countries behind the Iron Curtain.

Mrs. KELLY of New York. I would not personally have any objection to the gift of surplus commodities to the people of East Germany, but I fear that the change of trend in the East trade relations under Mr. Stassen is going to permit and look for, approve, and seek the sale of these surplus commodities to the U. S. S. R. Is that correct?

Mr. HOPE. I think that as far as what the gentlewoman has in mind with respect to putting these commodities in the hands of friendly people who may be behind the Iron Curtain is concerned, there is another provision in the same section which does permit distribution to friendly people.

Mrs. KELLY of New York. The word is "nations." That is not the section I am referring to. I approve of that. This is the sale to friendly nations. I recognize it as a diplomatic term which would include the U. S. S. R. as friendly, but are we going to permit this under this administration?

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 27 minutes.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BELCHER. In answer to the question of the gentlewoman from New York, it certainly was not the intent of this committee that the Government should sell these surplus products or commodities to any of the Iron Curtain countries and accept their currency in payment thereof; was it?

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mrs. KELLY of New York. Would the committee possibly accept an amendment after the words "friendly nations" so as to exclude Communist countries?

Mr. COOLEY. Unfortunately, I am not in the position to speak for the committee, and I doubt very much if the chairman is in a position to speak for the committee. Certainly, the gentlewoman from New York has the privilege of introducing an amendment. I, personally, would have no objection to it because I agree with the gentleman from Oklahoma [Mr. BELCHER] that it certainly was not contemplated by our committee that our Government would sell these surplus commodities to Iron Curtain countries for Iron Curtain currencies. That is the section involving a billion dollars worth of surplus commodities. I think I might yield further to the gentleman from Oklahoma, if he wants to emphasize the point that it is not contemplated that we would take Iron Curtain currencies for these commodities.

Mr. BELCHER. That very matter was discussed in our committee and it was the consensus of opinion of the committee that this would not be broad



enough to include the sale to Iron Curtain countries. Is that not correct?

Mr. COOLEY. I think the gentleman is correct.

Mrs. KELLY of New York. I will ask my colleague for time so that I may discuss this issue.

Mr. COOLEY. I will be very glad to yield time later to the gentlewoman from New York.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOPE. The State Department has a list of what are classified in the department as friendly countries, and in using the term here, I can say to the gentlewoman from New York as well as to other Members of the House that the committee accepts the definition of the State Department as to what constitutes a friendly country, and that does not include any of the countries behind the Iron Curtain.

Mr. COOLEY. I think what the gentlewoman has in mind is that ordinarily all countries are friendly countries except countries with which we are at war; and we are not at war with any country at the moment; consequently, all countries might be considered friendly countries unless the term is otherwise restricted.

Mrs. KELLY of New York. That is correct. We have to consider at this time that peace does not exist in the world. We are in a cold war—call it what you will. We are building up our military defenses and that of the free world to check the diabolical spread of communism. We have at this time an embargo of trade with Red China under the Mutual Security Control Act but we have no restrictions on nonstrategic material to the U. S. S. R. I consider food strategic, and the change of policy of the U. S. S. R. at this time is a request for consumer goods. This is explained in the report of the Mutual Security Defense Control Act in the 4th report. In this report the administration recommends a change in United States trade with U. S. S. R. That is what I object to. I consider it unsound to trade with a group of nations whose ultimate purpose is not in doubt—the enslavement of man. Why should United States supply these comforts and still cause for unrest. If the gentleman will yield to me just one moment, I would like to read from page 39 of this report which explains this clearly. It says:

With these factors creating for the free world a currently strong trading position, the free world nations should be able to take advantage of the needs of the Soviet Bloc and by hard bargaining gain benefits from East-West trade.

I would like to know who is deluding whom and when and at what time any nation drove a hard bargain with the U. S. S. R.

Mr. COOLEY. I think it might be well for us to consider the amendment of the gentlewoman from New York because I think it might be well for the House to be a little more specific than we ordinarily are in matters of this kind.

Mr. Chairman, one thing I do want to discuss is Operations Reindeer, which I discussed here on the floor of the House some time ago. I am sure that all Members of the House were amazed when the facts were disclosed. I disclosed the facts and submitted information to the General Accounting Office and asked for an investigation. The investigation was conducted and I have received the report, and in my extension of remarks I will put in the pertinent parts of the report. I have no complaint with the report which concluded that the President and Mr. Stassen had a right to do the things which were done, but I still insist, notwithstanding, that this House never intended that Mr. Harold Stassen should become Santa Claus and should engage in any such project as Operations Reindeer. Now how would you like to go back to your districts and say that you consciously authorized Operations Reindeer? Certainly, none of us contemplated such a project as that, and unless we make some legislative history here in the discussion of this bill, or in the discussion of the foreign-aid bill, which clearly indicates by such legislative history if not by legislative language that we do not intend to let our Government become Santa Claus around the world, we will be derelict in our duty. That is exactly what he did. He gave away 5 million Christmas presents at Christmas time, and the American taxpayer paid the bill. I could go on and criticize that, but I shall not criticize it further than to say that I for one certainly never intended to put my stamp of approval on any project of that character. The language in this bill which is before you is very, very comprehensive. It was our understanding that this report should contain some language which would indicate that our committee did not look with favor upon such projects as Operation Reindeer.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New Mexico.

Mr. DEMPSEY. That report from Mr. Stassen went to the Foreign Affairs Committee. Was it classified?

Mr. COOLEY. What happened was this: The law provided that \$100 million would be made available to the President to be used by the President whenever he deemed its use necessary to the defense or security of our Nation. Thereupon, Mr. Stassen obviously conceived the idea that to give Christmas presents at Christmas time was a very nice thing to do. So, on the 28th of September last year, he prepared some sort of memorandum and submitted it to the White House, and on that very day had the President sign a letter, or the President did sign a letter, approving this method of distribution of surplus agricultural commodities. That letter came down, as the law required, to the chairman of the Foreign Affairs Committee and it was marked "Classified. Secret."

Mr. DEMPSEY. So the only people who really were entitled to be fully informed, the American people who were paying for the Christmas presents, did not know anything about it. It was

"secret" and "classified" as far as they were concerned. Everybody else in the wide world knew all about Operation Reindeer except those who were paying the bill. Santa Claus Stassen was most generous in his treatment of everyone except the people whose money he was spending. That appears to be normal procedure in a great many of his operations.

Mr. COOLEY. Members of Congress did not even know about it. I do not see why there was anything classified about it, except that he put 2 or 3 paragraphs in there which might be termed "classified."

Mr. DEMPSEY. I agree with the gentleman 100 percent.

Mr. COOLEY. I do not want to say that the chairman of the Foreign Affairs Committee, the gentleman from Illinois [Mr. CHIPERFIELD] cooperated when I asked for the information. He told me it was classified but he would have it declassified. He did have it declassified, and now I have it here and can place it in the RECORD.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BROWN of Georgia. I understand that in return for these surplus commodities we take their currency.

Mr. COOLEY. That is right.

Mr. BROWN of Georgia. What do we do with their currency? Do we buy articles from them?

Mr. COOLEY. That currency can be used in many different ways. One is to pay American obligations abroad. It could be used to purchase other articles to be given to other countries under the provisions of this bill.

Mr. BROWN of Georgia. Or buy something that we need here?

Mr. COOLEY. Something that we need here. The bill itself sets out the use that will be made of the currencies that are required in exchange for these commodities.

Mr. ABERNETHY. If the gentleman will yield, those are set forth in section 104 of the bill.

Mr. COOLEY. I now yield to the gentleman from Massachusetts.

Mr. McCORMACK. A little outside of the bill, but still having relationship to it, we know that recently former Governor Stassen, in concert with other countries, lifted the trade restrictions to the Communist bloc in Europe. The reason which he gave for it, as I remember, was that it was a peace gesture. Does the gentleman remember that?

Mr. COOLEY. I remember that.

Mr. McCORMACK. At the same time we have the Communists in southeast Asia trying to enslave and dominate the people of that section of the world. Has the gentleman from North Carolina any comment to make on whether that is a consistent policy or an inconsistent policy?

The CHAIRMAN. The time of the the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 5 additional minutes.

The CHAIRMAN. The gentleman is recognized for 5 additional minutes.



Mr. COOLEY. I think that we should guard these peace gestures; of course, we want peace around the world, and I do not think that we should deal with individuals in any such fashion as Mr. Stassen has been dealing with individuals in 21 nations. I repeat, some of them have traditionally been our friends and always will be our friends, but he puts this entirely on the spirit of Christmas. He was going to give these Christmas presents, 5 million during the holiday season, unless we let him know that we did not approve of it. He may make it 20 million or 25 million next time, because he seems to have been pleased with what has been classified as Operation Reindeer.

Not only that, but after it was all over he selected four teams of husbands and wives and sent them on this trip through all these 21 countries to investigate and to report upon the manner in which the operations had been carried out. Each one of these persons was paid \$25 a day, or for a husband and wife team \$50 a day, plus expenses. They were regarded as consultants. That seems to have been justified and warranted under the broad language of the bill.

Here is the reason that the General Accounting Office said that they had to conclude that the language of the bill permitted such project.

It says:

The purposes of the act involved as expressed in the statutes themselves are so broad in scope and general in expression as to render it impossible to state categorically that Operation Reindeer did not further such purposes.

Further, the General Accounting Office says:

Under such circumstances this Office cannot conclude that the determination to conduct the program was clearly improper.

Further quoting from this communication:

While the Mutual Security Act appears generally to contemplate aid to nations as a whole continuing over a period of time rather than aid to individuals consisting of single gifts, section 513 (b) is not subject to any restrictions other than as stated therein or hereinbefore, and nothing can be found in the legislative history thereof which would prevent such individual gifts.

They concluded that since there was nothing in there to prohibit it, the language was broad enough to authorize it.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. DIES. The objection I have to this bill is that there are not sufficient safeguards against the shipment of agricultural products to Communist-dominated countries. We know that England and some of our allies are anxious to trade with Communist countries; they are not willing to pay the price the free world must pay in order to stop communism.

What assurance do we have that these products will not find their way behind the Iron Curtain and strengthen their economy?

Mr. COOLEY. I think we have a provision here, I might say to the gentleman

from Texas, which would prohibit reshipment. I do not have it handy but I will ask one of my colleagues to find it for me.

Mr. ABERNETHY. If the gentleman will yield, there definitely is a provision in the bill which should prohibit the thing which the gentleman from Texas has just mentioned. I cannot place my hand on it at this time, but it is in here.

Mr. COOLEY. It says in effect that the determination must be made so that the commodities will not be transshipped into such countries.

Mr. DIES. Then you assure me you have such a provision.

Mr. COOLEY. I know we have that provision in it.

Mr. DIES. Even with that provision in the bill, would not shipment to a country permit that country to sell its own products to Communist countries?

Mr. COOLEY. I might say that I think a fair construction and interpretation of the section that we have in the bill would tend to prevent that sort of transaction. There would be some way to circumvent it, I am sure.

Section (d) on page 6 provides that they shall "seek commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this act, without specific approval of the President."

Then there are other provisions, the purposes of which are to prevent resale or reshipment of these particular agricultural commodities.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Texas raises the question of strengthening the economy of countries behind the Iron Curtain. I may say to him—he was not on the floor the other day—that I presented figures here to show that in the last year alone Poland shipped between ten and thirteen million dollars worth of canned ham and bacon into this country. We shipped to Poland approximately \$300,000 worth of commodities. In other words, we gave them the difference between \$300,000 worth of our commodities as compared with the ten to thirteen million dollars of canned ham and bacon that they shipped into this country in American dollars and they get mileage out of American dollars back of the Iron Curtain.

I want to say one other thing to the gentleman from North Carolina. I sympathize with him in connection with the letters that he gets from the Foreign Operations Administration marked "confidential" or "classified." I received one last week on something the Congress ought to have information on. I believe we might well look into the fact how many people are using classified and confidential stamps and how much money is being spent on ink to stamp these letters with "confidential."

Mr. COOLEY. I may say to the gentleman that I agree with him. There is no reason on earth for this Operation Reindeer being classified. Just why it was classified I do not know, because two

or three paragraphs of the communication were deleted so that the communication might be declassified. The purpose in writing into the MSA law a requirement to the effect that the Executive should report to the chairman of our committee was to put us on notice or to place the Members on notice as to the character of the project contemplated so that we might be heard; but, unfortunately, this thing happened last September and only came to our attention a short time ago.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The gentleman understands, of course, that there are three sections to this bill. The first one is the trade section of it where we are to sell these commodities to foreign countries, receiving in return their currency. The others are giveaway programs.

Mr. COOLEY. Yes.

Mr. BELCHER. Does not the gentleman feel we should make every attempt to sell our commodities and is not the primary object of the entire bill to increase our foreign trade, and not to carry on another giveaway program in addition to the program Mr. Stassen is now carrying on?

Mr. COOLEY. The gentleman is correct. The purpose of the first section is not only to dispose of our surplus agricultural commodities but to do it in such a manner as to not upset normal trade channels and to bring about an increased consumption of agricultural commodities in countries where they are being consumed.

Mr. BELCHER. In addition to that, it is hoped that by selling these commodities in the various nations of the world we might increase the consumption of these various commodities to the point where there will be a future market, and not a method of getting rid of the surpluses we already have on hand.

Mr. COOLEY. The gentleman is correct. We not only make provisions in that regard in reference to commodities going to foreign countries but also in reference to commodities that will be given away. We also provide there that we shall not interfere with normal trade channels or the transactions of ordinary businessmen.

Mr. DIES. Mr. Chairman, I want to call the gentleman's attention to the language which he pointed to as constituting a safeguard. On page 6 of the bill it is stated "seek commitments." Now, that is just hogwash. That does not mean a thing in the world. There ought to be a provision in this bill denying sale to any country that seeks to do business with the Communist bloc. That is the only way you are going to stop this thing of shipping commodities into Russia.

Mr. COOLEY. If the gentleman will vote for an amendment that will be proposed by the gentlewoman from New York, he might gain his objective.

Mr. DIES. But the gentlewoman from New York does not go far enough. It is a waste of time simply to say that you shall not sell to Communist-dominated countries. You must go further and



specify that you cannot sell to any country that proposes to do business with the Soviet bloc. If England or if any of the countries that are determined to do business with Russia receive these commodities there is not any way you can prevent those commodities from finding their way behind the Iron Curtain.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. BURLESON. Mr. Chairman, I think that my colleague from Texas may have a point in starting with the premise in which he starts. But, remember that this program suggests that we sell commodities to friendly countries. You cannot conceive of those behind the Iron Curtain being very friendly, but they are to sell for local currencies, and those local currencies are to be used for a specific purpose defined in the bill. We are not doing business behind the Iron Curtain. We are not building airfields, we are not purchasing planes and parts and ships and guns, and we are not purchasing facilities, whatever that may cover, behind the Iron Curtain, so it is inconceivable that this thing could be used in unfriendly countries, that is, countries behind the Iron Curtain.

Mr. DIES. My distinguished colleague overlooks the point that I made. The point is this, that we have certain allies who want to do business with the Soviet Union, who have announced that they intend to do so despite the fact that this material will strengthen the Communist nations. Now, if we ship agricultural commodities to those countries and accept their currencies, we simply enlarge their opportunity to do business with the Soviet bloc.

Mr. COOLEY. I can agree with the observation made by the gentleman from Texas, but on line 7 we find the language "without specific approval of the President." Now, I think that language may be restrictive in some respects.

Mr. DIES. No, none whatever, because all this requires is that they seek commitments. It does not make it mandatory that when the product is sold, that it be upon that condition. It just simply says, "You go out and seek." Well, there is a lot of difference between seeking and getting.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I think the gentleman from Texas has a point in that particular regard, and I am certain it was the intention of the committee as well as the drafters of this bill to go further than the word "seek." I think probably if he would offer an amendment to that effect, we would support it. At least, I, for one, would. Certainly, it was the intention of the committee and the intention of the drafters of the bill, in my judgment, that when these commodities reached a friendly country that it was not intended that they should be passed on to any unfriendly country; otherwise, that provision would not have found its way into the bill.

Mr. DIES. All countries are friendly unless they are at war with us.

Mr. ABERNETHY. I realize there has been some question raised about what a friendly nation is, and I want to agree with the gentleman and I go along with him.

Mr. COOLEY. Would the gentleman suggest changing the word "seek" to "obtain"? Obtain a commitment?

Mr. ABERNETHY. The gentleman from Texas raised the question, and I suggest he draft the language necessary. I cannot bind the committee, but I, for one, think he is correct, and I think probably it ought to be amended.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mrs. KELLY of New York. My amendment would be on page 4, excluding Communist countries, the Communist bloc. However, due to the kindness of the gentleman from Florida [Mr. BENNETT]—and I want to mention that at this time—he suggested different language. It does not matter whether it comes from the committee or not, but here is what he suggested. After the word "among" on that page he suggested you strike out "the United States and friendly nations" and insert "the nations with which the United States is associated in mutual defense activities as defined by the President."

Mr. ABERNETHY. I would accept that.

Mr. COOLEY. Well, I am sure the chairman of the committee will consider it and probably comment on it when the amendment is offered.

Mr. BENNETT of Florida. Mr. Chairman will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Florida.

Mr. BENNETT of Florida. The language suggested by myself and Congresswoman KELLY is taken out of a bill that has already passed the Senate and met with the approval, I understand, of the State Department. It is capable of specific interpretation by the State Department and also has sufficient elasticity so that the President can include countries like the Philippines and others with which we may not have such a treaty at the present time. It allows the President a certain amount of discretion. At the same time it does not raise the embarrassing question as to whether we are technically friendly with certain nations. I would like to add that I am enthusiastic about the purposes of this bill and have previously introduced legislation with similar objectives.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GROSS. When the wheat for Pakistan bill was passed by the House, sometime last year I believe, was there any restriction placed in that bill which provided that Pakistan could sell 70 percent of the wheat, 1 million long tons of it, in the world market, upon whom the Pakistan Government could sell it to?

Mr. COOLEY. I do not think there was any restriction as to whom it could be sold, but there was some provision that 70 percent of it could be sold and

we assumed that it would be sold to the Pakistan people.

Mr. GROSS. No; 70 percent could be sold in the world market, as I understood it.

Mr. COOLEY. I believe the gentleman is mistaken. I think 70 percent of the wheat could be sold to the people of Pakistan and the other 30 percent might be given away.

Mr. GROSS. I believe that is not correct.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. DIES. The amendment suggested by the gentlewoman from New York [Mrs. KELLY] would help the bill, but it will not reach the core of the problem. The problem is this, that recently some of our allies have adopted the policy of doing business with the Soviet Union. I think that is a very dangerous and fallacious policy which will only strengthen Russia in the end. It is based upon the idea that we have got to have profits, no matter what. If we sell our agricultural commodities to such countries, we simply make it easier for them to do business with the Soviet Union. That is the sum total and effect of our effort.

Mr. COOLEY. That, of course, involves our foreign policy very definitely. I should not feel justified in commenting on it or agreeing with the gentleman, because it would have far-reaching implications and might embarrass our Government in its present foreign policy. I am not in a position to know.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, the legislation we are about to consider, S. 2475, is a Senate bill which was introduced into the Senate by Senator SCHOEPPPEL, of Kansas, and passed by the Senate on July 28, 1953, and, of course, when it came to the House as a Senate bill it was referred to our committee.

When our Committee on Agriculture considered this legislation in order to expedite it we struck out all after the enacting clause and inserted in lieu thereof a bill, introduced by me on June 1, 1954—H. R. 9389 entitled "Agricultural Trade Development and Assistance Act of 1954." This is the bill we are now considering under the title of S. 2475. Consequently, if the House supports the Committee on Agriculture in its position, we will have this legislation ready for conference. The parliamentary procedure would permit a conference committee from the Senate and House to meet immediately and iron out the differences between the Schoeppel bill, S. 2475, and my bill, H. R. 9389.

On May 7, 1954, Senator A. F. SCHOEPPPEL, of Kansas, appeared before the House Committee on Agriculture considering S. 2475 and made the following statement:

STATEMENT OF SENATOR ANDREW F. SCHOEPPPEL, OF KANSAS, BEFORE THE HOUSE COMMITTEE ON AGRICULTURE REGARDING S. 2475, MAY 7, 1954

Mr. Chairman and gentlemen of the House Agriculture Committee, I appreciate this op-



portunity to appear before your committee to support S. 2475. This is a bill to develop export markets for United States farm products. I sponsored this bill originally. I was honored to have been joined by Senator Anderson, of New Mexico; Senator Clements, of Kentucky; Senator Eastland, of Mississippi; Senator Hoey, of North Carolina; Senator Johnston, of South Carolina; Senator Mundt, of South Dakota; Senator Aiken, of Vermont; Senator Thyne, of Minnesota; Senator Welker, of Idaho; and Senator Young, of North Dakota. As you know, the bill passed the Senate on July 6 last without one dissenting vote. This was a unanimous recognition 10 months ago of agriculture's vital need to expand export markets for United States farm products. It was the soundest alternative to more severe acreage controls.

I need not describe to you gentlemen that in the last year our agricultural situation has worsened and the need to expand exports has increased. Investments of the Commodity Credit Corporation have about doubled, exports of wheat are further down. The prospects are not good. The time has come to close ranks and take concerted action to expand our export markets for farm products.

For 10 months S. 2475 has been subject to scrutiny, debate, and comparison with alternatives. There have been feverish attempts to devise alternatives to expand our export markets for farm products. But the principles of S. 2475 are the only program proposals that come to grips with the problem of expanding export markets for farm products. There has been some tidying up of the language and some refinements in procedures and administration, but no alternative program has been developed to expand export markets for farm products on a scale commensurate with the need and the job to be done.

The reasons for this are clear. The program provided in S. 2475 is tailored to fit the needs of expanding export markets for farm products. Expanding any market is difficult, but expanding an export market for farm products is more difficult and more complex. All of these problems were considered in drafting S. 2475 and the solutions, so far as possible, are included.

The program embodies an imaginative yet dignified and businesslike approach to our problem. It treats our agricultural abundance as the asset it is, not as an unmanageable surplus of which we are ashamed and therefore feel obliged to give it away.

I know you have considered many phases of this program in your deliberations until now. But I would like to review with you very briefly some of the elements that were considered in formulating the principles of S. 2475.

We considered the responsibility of the United States as leader of the free world; we considered the protection essential to the welfare of friendly competing exporters of farm products; we considered the needs of our customers and their potential ability to pay for the products they need; we considered the trade practices of competing exporters. We considered the stocks of CCC as assets, as capital with which we could promote economic development, expand markets, increase production and employment among cooperating nations—accomplishments needed for national security and for national economic strength and which otherwise might not get done in time. The bill was drafted to accommodate these considerations.

It provides for the export sale of farm products for foreign currency. This removes the limitation on purchases of farm products due to a shortage of foreign exchange. There is nothing new about accepting foreign exchange among interna-

tional traders. It's an age-old practice. It is only new for the United States. The bill sets up standards to be met in order for a nation to become eligible to buy farm products for foreign currency. These standards were designed to protect our dollar markets for farm products that are running over 2½ billion per year.

The sale of farm products for foreign currency is not in itself a solution to the problem. The key to the program is the use to be made of those currencies. S. 2475 provides six general uses of funds. Rather than enumerate those uses, I would rather explain their general intent. The basic idea is to sell farm products for foreign currency which is to be deposited to the account of the United States. The currencies are to be used as a revolving fund. We thought of the use of the funds in two phases. First, for increasing the ability of customers to buy all manner of products, and second, to get maximum possible repayment for the United States.

The foreign currencies in the first phase should concentrate on increasing the earning power of individual consumers and customer nations by means of relatively short-term loans. They should focus on increasing the foreign-exchange earnings of customer nations in a way that would lead to greater currency convertibility. This would mean promoting economic development, increasing production for export, expanding international trade, increasing gainful employment, and stimulating economic activity generally. This visualized the use of revolving funds to create conditions which would attract private investment capital for economic development. The free world needs capital to expand, to develop, to build, to create new wealth. The mechanisms set up in S. 2475 provide the means to convert unsold stocks of farm products into that capital the world needs.

The second phase in the use of this revolving fund is to assure maximum repayment to the United States. There are four important uses of the foreign currencies which would give the United States value received. One is to create continuous new markets for farm products, either with grants or loans. A second is to use the foreign currencies to pay some part of the \$50 billion per year we are spending on defense materiel. This offers a big field of opportunity for customers to earn dollars to buy farm products. A third use of currencies is to buy strategic materials for United States stockpiling. Our dependence on imported minerals is increasing. Adequate supplies are fundamental to our security. We can well afford to stock up on the minerals we are bound to need later. Finally, the currencies may be used as aid and assistance or in achieving free world security objectives in lieu of dollar appropriations.

There is a vitally important aspect in the use of these currencies. In order to provide the maximum possibility to use them effectively and provide maximum assurance to achieve repayment to the United States the program must provide for the transfer of obligations to the United States from countries who cannot repay the United States directly, to countries that can. S. 2475 visualizes the use of the revolving funds in one country as loans to third countries and the acceptance of the currencies of the third countries in repayment of the obligations to the United States. It may be that better devices can be developed. In any case, freedom to transfer these obligations among countries is essential to accomplish three objectives: to increase the opportunity of the United States to be repaid, to increase the opportunities of customers to increase their earnings with which to continue to buy more and in order to use the capital to promote

the maximum economic development. The point of providing flexibility to enable triangular or multilateral trade is so important, I would like to illustrate with a case.

1. We sell \$100 million worth of wheat to Japan for yen.

2. We loan the yen to India to buy Japanese industrial products for India's economic development.

3. We accept Indian rupees in payment of that loan.

4. We use those rupees for any of the purposes in the act, including the purchase of strategic materials.

So much for the uses of currencies accruing from the sale of farm products.

There is another important element in the proposal which I would like to emphasize. No American program of this kind should be allowed to seriously injure the trade of any friendly exporting country. Therefore, safeguards were built into the bill to protect friendly competing countries. They are protected in several important ways. Most important, it is not a giveaway with which none of them can compete. Second, sales are to be made at prices which the ultimate consumer would have to pay if the products were purchased from any other source. It is not a dumping program. However, the most important protection is that the funds that accrue are to be used to expand and create new markets, to establish orderly marketing facilities, to promote consumer industries, to increase the ability of customers to buy more of all products. In this expanded market, all competing exporters may share. Finally, the program removes the uncertainty resulting from unsold supplies overhanging the market. It removes the threat of dumping or giveaways.

I would like to make a suggestion which I believe will improve the legislation. Based on my observations of our agricultural export programs during the last year, I believe it is essential that primary authority for an export program be vested in the Secretary of Agriculture, who has the primary responsibility for protecting our present dollar markets, for expanding and creating new markets and minimizing the cost of the farm price-support program. The Secretary has this responsibility; his authority to deal with it should be made commensurate. I would like to call your attention to specific uses that have been made of farm products to further our national interest. They illustrate actual accomplishments within the severe handicaps and limitations of present authority:

1. Japan bought \$50 million worth of grain for yen. The yen will be used primarily for military procurement in lieu of further dollar appropriations;

2. Spain bought \$20 million worth of wheat for pesetas. The pesetas will be used entirely to cover the local cost in building United States airbases in Spain;

3. I understand that a program is being developed to sell over 10 million bushels of grain to a country on deferred payments. Repayment will be made in full, partly in strategic materials;

4. Even under the serious and unfortunate limitations of section 550, over \$230 million of purchase authorizations have been issued to buy United States farm products. These have been or are being done under the existing serious limitations. These opportunities could be multiplied under this proposed legislation.

Let me cite you four illustrations from the many offers to buy farm products which have been brought to our attention and that could be made under S. 2475.

1. There is a specific offer to buy as much as \$30 million worth of wheat, vegetable oil, milk, and butter for local currency. We could get full payment by using that cur-



rency to add a large quantity of a very strategic material to our national stockpile.

2. We have for consideration an offer to buy \$70 million worth of wheat, cotton, soybeans, tobacco, and dairy products for local currency from a country in which the United States has a vital strategic interest. These currencies could be used to carry on a United States program in that country which would otherwise have to be paid with appropriated dollars.

3. Another country is prepared to open negotiations to buy \$50 million worth of United States farm products per year for 5 years. This country will repay in full in 6 or 7 years, if a portion of the repayment can be made in goods or services.

4. Still another country is prepared to open negotiations for the purchase of nearly 20 million bushels of corn to establish a stabilization reserve. Payment is to be made in the local currency which may be redeemed in full in goods or services.

These propositions are on the shelf ready to be acted upon as soon as this legislation is enacted. They represent only a sample of those which have been brought to our attention by foreign buyers on the expectations this legislative proposal will be enacted early by this Congress. Enactment of the program will bring many, many more such offers.

Let me inject here that the program in S. 2475 is sound, businesslike and dignified. It is far more humanitarian than gratuities. Nothing builds human dignity like buying what people produce to sell. This program is based on a concept of producing, selling and buying—a concept that has made our country great. This program preserves the fundamental attribute of human dignity. It then goes far beyond that and uses the otherwise frozen assets of CCC as capital to increase production and gainful employment, to expand trade, and to promote economic development so that people can continue to buy more with their earnings. It is a program based on mutual aid—through trade. It is a new, imaginative and creative program. Wherever it has been explained and thoroughly understood, across this Nation and around the world, it has been hailed as a sensible approach. All who help enact this program, will take increasing pride in having contributed to this constructive legislation.

Finally, the time has come to get this program underway. Another crop is nearly upon us. This program should be in working order to move the new wheat crop beginning in June and other crops in due course. The time is already late. S. 2475 has passed the Senate. I urge you gentlemen to add your improvements to S. 2475, based on a further year of study, manage it through the House, and bring it to conference as soon as possible. Let us be in a position to report to our farmers that we passed a bill to do the job—in time.

Mr. Chairman, this statement by Senator SCHOEPEL gives us an excellent preview of what we may expect as to how this bill will operate.

A short history of this legislation is worth detailing and I might say that on February 12, 1954, I introduced a bill which was referred to the Committee on Agriculture entitled "Farm Trading Post Act of 1954." It was quite similar to the Schoepel bill, S. 2475. Of course, there were some refinements and I am sure improvements on the bill as world events had made necessary that certain technical changes be made if the legislation were to meet the general conditions at this particular time.

The justification for the introduction of H. R. 9389 came about by the meeting

of the Agriculture Department, the State Department, the Directors of FOA with our Committee on Agriculture, and placing before us their recommendations as to the legislation they thought necessary to dispose of surplus commodities.

After considerable committee questioning, discussion, and debate with the Departments mentioned, H. R. 9389 was introduced on June 1, 1954, and considered in executive committee of the Committee on Agriculture on June 9, and as far as I recall not a single vote opposed this legislation when it was up for final disposition. It comes to the floor by unanimous vote of all the committee.

As to the bill itself, it is a short bill with only three titles, and of course the title of the bill gives you an idea of what it is about—this act may be cited as the Agricultural Trade Development and Assistance Act of 1954.

Then follows section 2 which declares what the general purposes of the bill appear to be. I shall read from the committee report, House Document No. 1776, and may I say in passing that is a very important number for this document which I have hopes will contribute considerably toward freedom if this legislation is administered properly:

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, and to promote collective strength or further in other ways the foreign policy of the United States.

The three titles in the bill are title I, title II, and title III.

You will notice in the report that in title I there are five separate and distinct statements as to the method we should use to carry out our agreements with friendly nations to provide for the sale and disposition of surplus agricultural commodities for foreign currencies. The President shall have in mind these five basic suggestions as to bartering our surplus agricultural commodities for foreign currencies.

Let me read from the report:

#### TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(a) take reasonable precautions to safeguard against the displacement of usual marketings of the United States or friendly nations, and assure insofar as practicable that sales under this act will not disrupt

world prices of like commodities of similar quality;

(b) take appropriate steps to assure that private trade channels are used both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation to the maximum extent practicable;

(c) give special consideration to utilizing the authority and funds provided by this act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

(d) seek commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this act, without specific approval of the President; and

(e) Afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this act and to make effective use of the foreign currencies received to carry out the purposes of this act.

Section 102, under title I, gives the instructions to the Commodity Credit Corporation not only as to how to proceed with the disposition of the commodities, but also letters of commitments against the funds, their guaranties, and other details as to how the foreign currencies will be handled.

And in section 103 of this title we find out the Commodity Credit Corporation is to be reimbursed for the commodities disposed of through the machinery set up under title I of this legislation.

In addition, it carries the amount of money the Commodity Credit Corporation may use in the period which is provided in the act which continues until June 30, 1957. This amount is not to exceed \$1 billion.

Under title I, sections 104, 105, 106, 107, and 108 all relate to details as to the general use, and I might add reuse, of the currencies of foreign countries. I might read under section 104 from (a) to (g) which gives you a good idea of such uses, and also the provisions at the end of this section. All of this you will find on page 3 of the report:

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use the foreign currencies which accrue under this title for the purposes set forth in section 2 of this act, including one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase for the United States stockpile materials essential to the national security (as determined by the President) under contracts, including advance payment contracts, for supply extending over periods up to 10 years and assure insofar as practicable that materials so purchased would not displace United States domestic production or usual commercial imports into the United States. Materials so acquired shall not be released for resale except pursuant to the terms of the Strategic and Critical Materials Stockpiling Act, as amended;

(c) To procure military equipment, materials, and services for the common defense;

(d) For the purchase of goods or services for other friendly countries;



(e) For increasing production for domestic needs in friendly countries;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate;

*Provided, however,* That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to not less than 10 percent of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title and any department or agency of the Government using any such currencies shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106. As used in this act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

SEC. 107. The President shall make a report to Congress with respect to the activities carried on under this act at least once each 6 months and at such other times as may be appropriate.

SEC. 108. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

Let me discuss with you the reasons why this bill, Agricultural Trade Development and Assistance Act of 1954, is necessary at this time.

As I remember the Famine Relief Act ended March 15, this year, and section 550 of the FOA Act expires on June 30, 1954. Consequently, if we are to continue to assist our friends in foreign areas by sending agricultural commodities in surplus, some type or kind of legislation to permit us to use foreign currencies is absolutely necessary. Why it is necessary I hope I may be able to convince you.

When the Assistant Secretary of Agriculture, John H. Davis, appeared before our committee on April 27, 1954, he gave a very graphic picture as to how and why we had built up such tremendous surpluses of agricultural products. Mr. Davis stated to the committee why agricultural output had increased 40 percent over prewar levels, and that much of this expansion was for the purpose of meeting foreign commitments that could not be supplied from any other area in the world.

Now that peace has been restored to many areas of Western Europe our agricultural exports have declined since the peak of the war to the extent of 30 percent. The last figures available indicate that the decline of our foreign exports may now be reaching a leveling-off period.

Since the ending of World War II, world agricultural production has been constantly above the prewar average and indications are it will continue to increase. During the war when we were producing in the United States such tremendous crops, prices for domestic agricultural commodities reached new highs, and, of course, it was impossible to bring the agricultural production in line with consumption. While all this was going on the gold and dollar reserve position of most foreign countries improved and this made it possible for these foreign areas to trade to a considerable extent with one another, which brought our foreign markets to a new low level.

Mr. Davis explained to us that price competition in seeking new world markets for agricultural commodities was growing stronger and that many countries which were deficit agricultural areas prior to the war were now producing sufficient for their own consumption.

Anyway it appears to Mr. Davis that we cannot expect a restoration of our foreign markets for agricultural production to any considerable extent.

In discussing the reasons for large surpluses of agricultural commodities, Mr. Davis made a most excellent statement—and I quote:

The magnitude of our agricultural surpluses is such that we cannot afford to be complacent over any obstacles that stand in the way of moving them into desirable domestic and foreign outlets. For the most part, the commodities that have accumulated are reasonably storable, and this means that we do have a fair amount of time to deal with existing surpluses of such products. There are, however, other products that are more perishable, and stocks of these must either be rotated or disposed of rather soon. A policy of stock rotation can help extend this period. However, it cannot eliminate the necessity for a sound utilization program.

Altogether, the Federal Government through the Commodity Credit Corporation had at the end of February 1954, an investment in price support commodities totaling \$6¼ billion. This included about \$2.7 billion of commodities actually owned by CCC and an additional \$3.6 billion under loans. The total of this investment is a record high. A little more than three-fourths of the total price-support investment is represented by wheat, cotton, and corn which are reasonably storable. The CCC investment in these items was \$2.2 billion for wheat, \$1.4 billion for cotton, and \$1.2 billion for corn, or a total of \$4.8 billion out of the \$6¼ billion invested in all commodity price supports.

Nor can all of the commodities included in the total amount of the CCC price support investment be regarded as surplus. We can reasonably expect some of the products under loan to be redeemed—this is happening now. Also certain amounts of the commodities represent stocks that normally would be considered as carryover in the hands of producers and the trade. In recent years, the tendency has been for a larger proportion of total carryovers to be held by CCC, with private trade carrying smaller absolute amounts than otherwise would be necessary. The CCC investment also includes certain supplies of commodities that may be considered as being desirable for national emergency reserve purposes, over and above normal carryover requirements.

The main point in all of this is that we need to understand what the scope of our surplus really is. We obviously cannot regard our total stock of storable commodities

as surpluses. If we take all of our storable crops combined, I would judge that not more than one-half of our expected carry-over this year can rightfully be regarded as surplus.

In dealing with our present problem of surpluses, we necessarily must take a two-way approach. One is to take actions that will prevent a further buildup of surpluses and prevent surpluses from continuing as a major problem. The other is to deal with the present accumulation of surpluses so that the commodities now being held in storage may move into constructive uses both at home and abroad. Both of these approaches must move forward vigorously and in coordinate fashion.

To prevent surpluses from continuing as a major economic problem, we obviously need to bring about certain adjustments in our pattern of agricultural production so that the output of specific commodities will be geared more nearly to the market demands. This committee is fully aware of the steps we are now taking to bring about such adjustments and of the changes in program that have been recommended by the President to enable us to realize our objectives for American agriculture.

At the same time we are making the adjustments needed in our production, we must see to it that the widest possible domestic and foreign outlets are available to our farmers. We need to expand our markets both at home and abroad in order to make the most effective use of our great agricultural productive capacity.

#### EMPHASIS ON DOMESTIC AND FOREIGN UTILIZATION

In the Department of Agriculture we have geared our organization to move aggressively forward on domestic and foreign marketing so that these problems may receive the increased attention so badly needed.

All of the domestic marketing functions have been brought together in the new Agricultural Marketing Service. The word "service" as used here may be underscored, since this agency is a service organization to promote and facilitate better marketing through regular distribution channels. Its highly trained staff is devoting their undivided time to domestic marketing problems. This agency is moving ahead with a balanced program of marketing research, service, and regulatory work. In all of this activity cooperative relationships are being maintained and strengthened so that all groups, from farmer to consumer, may be more effectively served.

The foreign marketing work is centered in the Department's Foreign Agricultural Service. This organization has been strengthened to improve the flow of data and information to the trade regarding foreign agricultural production and marketing conditions. Commodity specialists are being sent abroad to assist the trade in uncovering marketing opportunities. Aggressive action is being taken to encourage importing countries to remove undue restrictions against imports from dollar areas. In effect, the Foreign Agricultural Service functions as American agriculture's eyes and ears abroad, constantly searching for market opportunities and always working to overcome obstacles to the flow of United States farm products in world trade.

Trade missions have been sent to Europe, Asia, and South America to play the composite roles of good-will ambassadors, fact finders, and educators. They will return and report to the Secretary of Agriculture early in June. Behind these missions will be the stepped-up efforts of private traders to move more and more products abroad. These missions are as representative of agricultural interests as we could make them. They are primarily concerned with the possibilities of expanding our world trade through



regular trade channels. Their job is not to do any selling as such, but we are confident that they will open up many trading opportunities which can be exploited in followups by United States private trade. The findings of the missions will be made known to our producer and export groups as soon as reports are prepared upon their return.

I believe there are three guiding principles that should, insofar as possible, govern our export market development work:

1. Government should assist, not displace, the private trade. Export trade should be carried on through established private trade channels wherever possible.

2. United States export prices must be competitive. We cannot expect to maintain or expand exports of farm products if our prices are higher than those charged by other exporters. However, at the same time we must not be aggressive in pushing down world prices. In other words, the emphasis must be on better selling at fair prices rather than the use of fire sale methods.

3. Bold, imaginative, and new steps must be taken both by private trade and Government to pave the way for such trade efforts. This is particularly true today as we face a buyers' market for most commodities for the first time in some 12 or 15 years.

The work being done by the trade missions that we have sent abroad is in keeping with these guiding principles. Also, there is the assistance we are giving in connection with export price problems whenever this can be done to encourage genuine expansion in United States trade. Some examples of this export price assistance are our offerings of cottonseed oil, linseed oil, peanuts, grain sorghums, and flaxseed on a bid basis for export. We are offering surplus wheat stocks through the private United States trade for export outside International Wheat Agreement channels at competitive world price levels. Offerings have been made of dried beans for export at reduced prices, and of nonfat dry milk solids and cheddar cheese at competitive world prices. In addition, we announced that we will consider bids for the purchase of butter for export from Government stocks for reconstitution into fluid milk.

Exporters are also being assisted by us in maintaining the outstanding reputation for quality which United States agricultural commodities enjoy in foreign markets. In general, the worldwide recognition of the good job done by our export trade in maintaining quality standards is one of our principal assets in foreign surplus disposals. This reputation must be protected scrupulously, and we are helping exporters in doing that. With respect to the few commodities where quality was permitted to slip during and following the war, high quality standards must again be restored if we are to maximize exports.

Mr. Chairman, in addition to title I, which we have discussed at considerable length, we have title II and III.

Under title II, the President may request transfer of agricultural commodities from the CCC, first, to any friendly nation to meet famine or other urgent relief requirements; and, second, to friendly but needy populations without regard to the friendliness of their government.

And in addition he may grant agricultural commodities from the stocks of CCC to friendly nations to assist low-income groups through special cooperative programs.

However, he cannot use more than \$100 million worth of surplus agricultural commodities from CCC stocks without regard to the requirements of

title II or the Mutual Defense Assistance Control Act of 1951.

All transfers under title II may not amount to more than \$300 million.

Under title III, the Agricultural Act of 1949 is amended and a new directive and criterion for barter transactions is provided. This is in response to many representatives of charitable organizations who appeared before our committee and urged that surplus commodities be made available to needy people in the United States as well as foreign countries.

In amending section 407 of the Agricultural Act of 1949, the amendments provide that commodities owned or controlled by CCC may be used by the President in two types of circumstances: Areas where the President declares to be in acute labor or economic distress, and in connection with major disasters such as floods, tornadoes, and so forth.

Then in an amendment to section 416 of the Agricultural Act of 1949 seven suggestions for dealing with perishable commodities are detailed:

First. Eliminates applicability of the section only to food commodities.

Second. Eliminates the necessity of a finding by the Secretary that commodities are in danger of loss through deterioration or spoilage before they can be disposed of under the section.

Third. Establishes barter as a priority disposal method.

Fourth. Expands the list of eligible domestic recipients of donated commodities to include State and Federal penal and corrective institutions and publicly owned hospitals.

Fifth. Requires the Secretary to obtain assurances that use of donated commodities will be in addition to and not in substitution for normal consumption.

Sixth. Permits the Secretary to estimate in advance the quantity of commodities which may be available for donation.

Seventh. Authorizes CCC to pay reprocessing, packaging, handling, and transportation charges on donated commodities up to the time of their delivery to a designated agency for domestic distribution or to the port of export for foreign distribution.

The final section, section 303, implements barter authority by permitting the exchange of surplus agricultural commodities for strategic materials. Of course in making such exchanges the funds of the CCC would have to be protected. This is a new suggestion in basic law and I am sure will open up many additional markets for surplus commodities and especially those commodities that are subject to deterioration, and will make it possible to exchange them for strategic materials which can be stored with little danger of loss.

Mr. Chairman, this seems to be excellent legislation and I trust members of our committee will be able to answer all of your questions and satisfy you that this House should look favorably on the passage of S. 2475, as amended.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Texas.

Mr. FISHER. The gentleman has discussed a portion of the bill which I think is very sound and which appeals to me very strongly, that is, with regard to trading our surplus agricultural commodities to foreign countries for local currencies. As I recall, we are now spending more than a billion dollars a year in American dollars in the purchase of local currencies in the various countries where we have defense activities and similar enterprises. Certainly this will save a lot of money from that standpoint by disposing of certain surplus commodities and making use of local currencies rather than American dollars in meeting obligations in those countries.

Mr. COOLEY. If the gentleman will yield, I do not think that will happen at all, because the sales for foreign currencies contemplate sales over and above normal business transactions with regard to the parties involved. The gentleman's colleague from Texas, my beloved colleague on the committee [Mr. POAGE], has been advocating that for a long, long time. I think he will agree that is not involved in this. It does say that the currencies can be used to pay American obligations abroad, but it is not ordinary obligations that are referred to.

Mr. HILL. Let me read, if I may, just exactly what is in the report, which will clear up the gentleman's thinking:

However, to develop these new markets through sales for local currency, this legislation sets rigid standards including requirements that the President shall—

Then it goes on and says—  
take reasonable precautions to safeguard against displacement of usual marketings of the United States or friendly nations, and to assure insofar as practicable that sales will not disrupt world prices.

That was discussed at length in our committee, and this is supposed to be a new avenue of approach to world markets and world sales. No one can tell how the administration of this bill might work out. That is the intention of the bill.

Mr. FISHER. Let us take a specific example. I recall last fall when I was talking with the agricultural attaché of our Embassy in Madrid. He suggested that if cotton, for example, could be sold in Spain for their local currency rather than for American dollars, since Spain like most other countries is short of American dollars, it would provide a market, or an expanded market, let us say for cotton which otherwise would not be marketed in that country. I would like to ask the gentleman if under this arrangement American cotton could be disposed of in Spain for local currency?

Mr. HILL. You say: could it?

Mr. FISHER. Yes.

Mr. HILL. Under this legislation, if the administrator of this legislation was following the law, he would have to be certain that it did not take the place of the regular channel of trade from where Spain had been buying her cotton. You



have to keep that in mind and that is the idea of this legislation. In other words, if Spain had been buying cotton, let us say, from Egypt, regularly, and it was in their channel of trade and was interfered with by this type of trade, we are not supposed to do it. That is plainly set forth.

Mr. FISHER. One other question, and then I will conclude. Assuming that it was sold for local currency. Just what restriction is there on the use that may then be made of that local currency which we have? Does it have to be reinvested there in that country?

Mr. HILL. No, sir.

Mr. FISHER. Is there any restriction as to what it can be spent for?

Mr. HILL. This bill provides that this currency shall be placed in the care of the Commodity Credit Corporation, and those funds will be made available, I would say, if I remember correctly and someone can correct me if I am wrong—

Mr. ABERNETHY. Mr. Chairman, if the gentleman would yield, it is set forth on page 9, section 104.

Mr. HILL. On page 9 of the bill, section 104, and there you will find the restrictions in regard to the disposition of this currency.

I will now yield to the gentlewoman from Illinois [Mrs. CHURCH] and then yield to the gentleman from Texas.

Mrs. CHURCH. I thank the gentleman. I have read the bill rather carefully. I wonder if the gentleman would explain who sets the prices when commodities are sold. Is that left to the discretion of the Commodity Credit Corporation?

Mr. HILL. Of course, the gentlewoman is asking a very difficult question because all trade works on the same level, or at least I hope it does, and it will be the usual market price that the goods were selling at at that particular time. We did not go into detail as to what wheat would be worth or what cotton would be worth. It would go at the regular market price for the goods at the time of the transaction.

Mr. COOLEY. It would be a negotiated price as between the country that wanted to buy the commodity and the representative of our own Government or the seller.

Mr. HILL. Exactly. It was never the intention of the authors of this bill to use this to break down world prices. On the other hand, it says here very plainly that it is to go at the usual world price, if it can.

Mrs. CHURCH. There is no floor set below which the prices cannot fall?

Mr. COOLEY. There is none.

Mr. HILL. Why should there be? There should not be if you are going to make it worthwhile to do the very things that you and I know should be done under this bill.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. DIES. Would the gentleman favor this short, protective language:

*Provided, however, That no agricultural commodity shall be sold to any nation which*

*exports or sells agricultural commodities to any Communist nation.*

Mr. HILL. Of course, the gentleman asks a tough question. So far as I am concerned that is the way we should do without even asking for such a clause in the bill. If we have come to the point where the men who represent you and me in foreign fields in the sales of our goods cannot differentiate between friend and foe, then it is time that we recalled them and put other men in their place.

Mr. DIES. The gentleman did not understand my amendment. The amendment would provide that no agricultural commodities shall be sold to any nation which exports or sells agricultural commodities to any Communist nation.

In other words, if one of our allies is engaged in selling agricultural commodities to Russia, we ought not to ship our agricultural commodities under this bill.

Mr. HILL. Of course I am in no position to state what amendment I would support at this time; but let me say, frankly, this must be true, that if we do what you have asked, then you might as well say you are now ready to say to all of our friends throughout the world that we are going to draw a line and on one side is Communist trade and on the other is our friendship. If you are willing at this time to draw that line taut between the two of us, it is all right with me. I would be the last one to object to it.

There are three titles in this bill. It is a very short bill, and I am sure you can see immediately that the idea behind this whole matter was to give our friendly nations an opportunity to get into the market and purchase goods that they could not otherwise buy, and that we would have an opportunity as time went on to develop those markets into permanent markets for the surplus commodities that we produce.

Someone said that in this United States since World War II we have increased our agricultural production to the extent of 40 percent. There is not any member who can say that we can keep up this production at this 40 percent increase, without going out over the world and in some way develop new markets, because the increase in population will never account for the extra consumption of that food.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Virginia.

Mr. POFF. I want to commend the gentleman and all of the authors and patrons of this legislation and the committees of both Houses for at long last coming to grips with the problem to which we have too long closed our eyes in the vain hope that it would somehow simply solve itself. Whether by reason of honest indecision or political cowardice, we have evaded our responsibility until now. This is a bold and positive effort to do something realistic about it. I am inclined to agree with the gentleman from Texas in his suggestions, but by and large I am in favor of the bill.

I believe the gentleman would be interested to know that recently I took a poll in my district and asked the following question:

Regarding farm surpluses, would you give them to our hungry allies as cold war ammunition?

In response to that question 59.3 percent voted "Yes"; only 18.4 percent voted "No," and 22.3 percent were undecided.

Mr. HILL. I will say to the gentleman from Virginia [Mr. POFF] it is unthinkable that we should pile up our surpluses and let them deteriorate and make no effort to dispose of them to friendly people somehow in some way.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I rise in support of the bill now before us for consideration. I wish to commend the Committee on Agriculture for the excellent job which it has done. I believe that this bill will benefit not only American farmers but the American people as a whole.

This legislation provides ways and means for other countries to obtain our agricultural commodities in exchange for commodities and services which they are able to provide and also makes possible the distribution of food to hungry people in the world who cannot afford to pay for it. We cannot, of course, expect as a result of this legislation an end to our agricultural surplus problem, but it is certainly both a realistic and humanitarian move. I trust that in the administration of this act our agricultural surpluses will be used to strengthen our friends and not our enemies or those who are indifferent to our fight against communism. That is the intention of this bill.

(Mr. HUNTER asked and was given permission to revise and extend his remarks.)

Mr. HOPE. I yield such time as he may desire to the gentleman from Wisconsin [Mr. LAIRD].

(Mr. LAIRD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LAIRD. Mr. Chairman, I wish to say that I also support the bill now being considered and take this opportunity to state that my opinion in the matter is in substantial agreement with that of the gentleman from California [Mr. HUNTER]. I wish to commend Mr. HUNTER for his remarks. Serving together as we do on the Subcommittee on Agricultural Appropriations, we have had the opportunity to hear testimony from representatives of the Department of Agriculture, from agricultural organizations, from Members of Congress, and from private individuals pointing out the need for a new and bold approach to the problem of finding additional outlets for American farm products.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. POFF].

(Mr. POFF asked and was given permission to revise and extend his remarks.)



[Mr. POFF addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. BURLESON].

Mr. BURLESON. Mr. Chairman, the Committee on Agriculture is to be commended for bringing this bill to us today. I take this opportunity to particularly compliment several of my colleagues who have been interested in this matter for several years.

The history of this legislation goes back to 1947. Similar bills have been introduced from time to time in various forms. It was impressed on me specifically in 1950 when I thought we were going to adopt a measure comparable to this, but something went wrong and I happened to be standing on the edge of the rug when it was jerked.

It just simply makes sense that we should consider these surplus commodities which we now hold in storage, and which the Commodity Credit Corporation is obligated under loan agreements as a capital asset. They are just as much a capital asset as if they were reduced to dollars and cents. At last we have gotten around to the philosophy that this is a capital asset and that we are going to so use them in our cooperation with friendly nations.

I particularly want to mention my colleague from Nebraska [Mr. HARRISON], my colleague from Colorado [Mr. HILL], both of whom have authored bills involving the principles set forth in the measure before us. The things the gentleman from Colorado has said are most interesting in connection with the purposes and intents of this legislative act. He has made an able and a convincing statement. On this side of the aisle the gentleman from Mississippi [Mr. ABERNETHY], the gentleman from Texas [Mr. POAGE], and perhaps others have introduced bills similar to the one I introduced last year. Hearings were held on this subject shortly before adjournment in 1953 but too late to bring to the floor of the House.

We are at the place now where we can do something toward using these agricultural commodities instead of so many dollars.

A great many people have been concerned regarding the resale or direct sale of these commodities to unfriendly nations. My colleague from Texas [Mr. DIES] is concerned that there may be a reshipment to Communist countries. As I said a little bit ago, I cannot conceive that such a thing could be done under this bill. I would be very glad indeed to support an amendment which spells out a prohibition against it. But in the first place we are not going to use this in any Iron Curtain country for any purpose. Contracts and agreements, together with existing law known as the Battle Act, take care of the matter.

We expect to use \$75 million for the purchase of aircraft in England. Local currency from the sale of these commodities can be used for that purpose. It can be used to finance our operations in Japan whose economy we are sub-

sidizing to the extent of about \$1 billion a year. They need what we have. We need the potential military strength of Japan and we need her industrial capacity which can be redeveloped by currency issued for the purchase of these commodities which are doing us no good in storage.

I would much rather express my concern about too many ball bearings, too many lathes, and too much steel going to countries behind the Iron Curtain than to be concerned too much about food that might find its way behind the Iron Curtain. There is too great a need for it in friendly areas. There is competition for food and a poor chance of it going very far.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Colorado.

Mr. HILL. I am very appreciative of the efforts the gentleman has made in behalf of this legislation. Let me say that this bill came out of our committee without a single opposing vote, and I make this statement to show the unanimity with which we supported this legislation.

When the bill was considered last year over on the Senate side it passed the Senate according to Senator SCHOEPPEL without a single "No" vote. I think it is high time this Congress passed this legislation.

We cannot put in an amendment similar to what some of our friends are suggesting because we are not the Foreign Affairs Committee. This is an agriculture bill. If they want to include such amendments, let them work something out in some foreign affairs legislation and bring it to the floor.

Mr. BURLESON. I thank the gentleman. We have the Battle Act which takes care of the situation about which several of our colleagues have expressed concern.

I agree that this legislation is needed. The gentleman from Colorado said in his speech with reference to that particular matter and with reference to the entire purpose of this legislation, that it is going to depend on how this act is administered. If it is not administered properly it is not going to work well. If it is administered properly there is a great opportunity for much good. He is entirely correct.

My colleague, the gentleman from Texas [Mr. FISHER], referred to Spain in connection with this measure. As everyone knows we have considerable plans in Spain. Spain needs cotton and other commodities in surplus in this country. The opportunity to use these products to build military facilities in Spain is an investment for the defense of this country. If I did not think this arrangement was for our own defense I would not be for it.

Mr. Chairman, it is my understanding that under section 550 of the foreign-aid bill of 1953, approximately \$250 million would be used in the coming fiscal year, providing the authority is continued in some form. This bill authorizes the use of \$1,300,000,000 in surplus commodities.

Now, as I have understood the Foreign Operations Administration officials, they are not planning on using this program in Spain, where we are going to build a lot of facilities. They seemingly have no definite plan in Japan.

There are great opportunities in those areas which should enable us to reach far beyond the \$1,300,000,000 which is authorized in this bill. The opportunities are unlimited, but I think unless it is so administered and looked upon as a long-range program, it is not going to be worth very much. I hope the Administration will follow what I understand to be the intent of the Committee on Agriculture and the intent of the Congress, and carry out the great potentials involved in this legislation. We do not want to fuss too much about the t's being crossed and the i's being dotted. We need to go out and look for customers beyond what are now our normal markets. No one wants to displace the normal existing trade with our foreign nations. We do not want to do anything which will hurt private industry, and in fact, this bill encourages that all be done by private trading, assisted in transactions by the Government. We have lost about 40 percent of our foreign markets in the last 2 years, and we are going to lose a lot more of them if we do not do something about it. Agriculture needs this legislation, and the country needs defense wherever it can get it.

This is not a dumping program. Those of us from agricultural areas are not going to ask that the people of this country support a farm program which is not sound. Neither are we asking for a dumping program to dispose of our surplus. But we have a capital asset. So let us use it rather than tax the people any further. If we had been doing that for the last 5 or 6 years we would not only have more friends around this world but we would have more dollars in the United States Treasury; we would not have the problem which we are facing now in connection with agricultural surpluses.

I hope very much, therefore, that we will not amend this bill too much, but that we do perhaps make some changes necessary to make it workable. I hope that the Foreign Affairs Committee, when it reports out a bill in the next few days, can come here with an idea which several of us have been working on, including the gentleman from Minnesota [Mr. JUMP]. We expect to propose that out of the \$1,300,000,000 provided in this bill, that the sum of \$500 million be specifically earmarked to purchase agricultural commodities in this country, or else this amount cannot be used at all. In other words, it is about as mandatory in the use of this amount of funds as can be made in legislation. If any foreign country is to receive aid in any form to the extent of funds provided in the foreign-aid bill, then they must receive these farm products and pay for them in their currency, and that currency will provide defense, defense support against Communist aggression.



(Mr. BURLERSON asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. HARRISON].

(Mr. HARRISON of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. HARRISON of Nebraska. Mr. Chairman, S. 2475, Agricultural Trade Development and Assistance Act of 1954, may turn out to be the most important legislation ever passed in this House to expand agricultural industry. I, too, have introduced a bill that takes care of the trade part of this particular legislation, and I have been most interested in that particular portion of this legislation that deals with trading with foreign countries and accepting their currencies. I think that it has a great deal of possibility.

Science has given to agriculture the know-how of production. The mechanical age and science have in the past few years increased production of most farm crops twofold and there is good reason to expect that the next few years will again double the output of the farm.

The problem which presents itself is to sell that amount of our farm production which is in excess of our domestic needs. Here is an example of some of the excess in farm commodities:

*Commodities on hand as of June 2, 1954*

<b>Cotton:</b>		
Upland .....	bales..	132,206
Linters.....	do.....	1,045,689
Total.....	do.....	1,177,895
<hr/>		
Butter.....	pounds..	394,403,000
Cheese.....	do.....	396,969,000
Dried milk.....	do.....	250,657,000
Wheat.....	bushels..	714,282,000
Corn.....	do.....	380,790,000
Peanuts.....	tons.....	1,198
Beans (dry edible).....	cwt.....	1,338,000
<hr/>		
<b>Seeds:</b>		
Hay and pasture.....	pounds..	77,139,000
Winter cover crop.....	do.....	34,776,000
Total.....	do.....	111,915,000
<hr/>		
<b>Ladino clover:</b>		
1950 crop.....	do.....	130,819
1951 crop.....	do.....	5,694,613
1952 crop.....	do.....	8,737,196
Total.....	do.....	14,562,628

Enough Ladino clover to supply the demand for 3 years if we did not raise any more. These excesses in farm products are having a strangling effect on the industry today. This strangling is being brought about through the use of Government controls.

The position that we find ourselves in with respect to surpluses can easily be termed an asset rather than a liability. Abundance of food when two-thirds of the people of the world have an inadequate diet from day to day can with the proper effort be a tremendous asset. It has been quoted from here that the responsibility of world leadership has been thrust upon the United States. This being the case and with a surplus of food and fiber, we should be in an enviable position to sell our food to hungry people.

However, no United States program with foreign implications should be introduced at this time without a thorough consideration of its effect on our foreign relations and the security of the United States. The Communists have made no secret of their objectives to dominate the world. Recently, Malenkov summed them up as follows:

Our mighty homeland is in its prime and is advancing to new successes. There are no forces in the world capable of halting the onward movement of our Soviet society. Ours is an invincible cause. Forward to the world victory of communism.

The greatest collective effort of the United States is to preserve our own freedom and oppose that Communist aim to dominate the world. We are spending nearly \$50 billion per year, two-thirds of our national budget, for national security alone. Men, food, steel, and minerals make war power. The United States has less than 7 percent of the world's manpower. The Communists have five times that many. The United States has one-half of the world's steel capacity. The Communists have one-fourth, but use a larger portion for military purposes and are increasing their steel capacity rapidly. With food and minerals, it is about a standoff. The balance of manpower, industrial power, and military power, as between the Communists and freedom, lies in Western Europe, Japan, and the people of underdeveloped countries who control the balance of the world's mineral and manpower reserves. The final outcome of the great struggle between communism and freedom will be determined by which side Western Europe, Japan, and the underdeveloped countries of Asia, Africa, and South America finally cast their lot. United States national security will depend to a large extent on enduring economic and defense arrangements with an increasing number of strong and dependable allies, both among the highly developed and underdeveloped nations. Our national security depends largely upon the number and strength of nations bound together by mutual advantage which join with the United States to preserve freedom.

Every national program, therefore, should first avoid alienating or weakening the ties among nations who cooperate with the United States for mutual security and, second, every national program should be designed so far as possible to create cohesive forces of mutual interest among nations who join or may join with the United States to assure the security of all free nations.

Indiscriminate disposal of the \$6 billion worth of unsold farm products in world markets could weaken the economy of cooperating nations and disrupt otherwise friendly relationships. For example, Turkey and Egypt cooperate with the United States in the security of the Middle East. Turkey is an important exporter of wheat and cotton. Egypt is an important exporter of cotton. If the United States were to liquidate its unsold wheat and cotton supplies in a way to rupture the economies of these coun-

tries, United States problems would be compounded rather than solved.

Denmark, Holland, and New Zealand join with the United States in maintaining security. The export of dairy products is vital to the economic strength of these countries. The United States could easily crush the economies of these three countries through indiscriminate use of surplus dairy products. Such action could only alienate these countries as allies and again complicate the total problems of the United States. Canada, Mexico, and Brazil constitute the bulwark with the United States in Western Hemispheric security. The export of wheat is vital to the economic strength of Canada. The export of cotton is of vital importance to the economies of Brazil and Mexico. The movement of unsold United States farm products must be made in such a way as not to impair the economic strength of these and other cooperating nations.

As far as the effect of selling United States farm products abroad, we have two kinds of countries to deal with—those who need our farm products and those who do not but are exporters themselves. Most competing exporters are our allies, and we must not let indiscriminate liquidation of agricultural stocks injure their economies or alienate their loyalties. S. 2475 protects the interests of competing exporters in many important ways.

First, it establishes the procedures under which the United States is to liquidate surplus stocks and thus removes the doubts and the threat of dumping, indiscriminate pricing or other practices.

Second, it establishes a pricing policy under which consumers cannot buy products cheaper, in terms of their own money, under this program than they can from other sources in international trade.

Third, the program generates a revolving fund of capital, to establish orderly marketing, to expand production and the ability to buy, and to generally create sound conditions for increased consumption of farm products in which all exporting nations would share.

Finally, the bill directs the President to implement the legislation in such a way as to avoid serious injury to the trade of any friendly nation. The real important protection comes from the fact that the program creates capital to expand markets which competing exporters could not afford.

Let me cite an example: The bill is sufficiently flexible, for example, to enter into an agreement to provide France with all the dried milk she could sell at 12 cents a pound free alongside ship. With payment in French francs for the first year, a quarter of the francs might be used to promote and establish an orderly merchandising of dried milk in France. A quarter of the funds might be loaned, over a 5-year period, to finance facilities for distributing dried milk in France. The remaining half of the proceeds might be used for military or other purposes. However, at the end of the year, or 2 years at the most, an expanded market would have been cre-



ated in France for milk, in which not only the United States, but Denmark, Holland, Canada, and New Zealand might also share. This capital expenditure for expanding such a market in France is provided under S. 2475, but that capital investment cannot be made by the other exporting countries.

There are other foreign aspects of this bill to be considered. The cooperation of Western Europe and Japan are essential to United States security. The population of most Western European countries and Japan have far outgrown the needs of the people. These nations, therefore, have vital requirements which their military alliances must accommodate. Western Europe must import one-third of her food, all of her cotton, and a large amount of coal, timber, and minerals. She has to buy them with her exports, which are industrial goods and some agricultural specialties. These exports are not only essential to pay for the necessary imports of food and raw materials, but are vital to maintain employment. There is a Communist nucleus in each country sufficiently strong enough to overthrow the present government, if it fails either to import enough food to maintain the national diet or export enough goods to maintain employment.

Japan illustrates the problems of the highly developed cooperating countries. Japan has 86 million people eating a substandard diet and depending on imports for one-fourth of its food, for large quantities of wheat, soybeans, cotton, and minerals. Japanese agricultural import requirements are at least 125 million bushels of wheat, 16 million bushels of soybeans, 1 million tons of sugar and 1 million bales of cotton, plus dairy and other food imports. To maintain the low diet and rather low standard of living generally, Japan must import about \$2 billion worth of goods per year. Before the war Japan bought much of her food, coal, iron, and minerals on the continent of Asia. Her dollar purchases of United States cotton, and oil were paid for largely with once popular silk. Her food imports come from China, Formosa, and the Rice Bowl of southeast Asia. Because of population changes and other factors, prewar suppliers themselves became food importers. The United States demanded as a condition for the peace treaty that Japan agree not to trade with Communist China. In 1953 Japan bought three times as much in the United States as she sold in the United States. Japan has a \$1 billion reserve which she earned from operations as a staging area for the Korean war. She is using up that reserve at a rate of one-half billion dollars per year. Time is running out. Japan must be able to earn more dollars to buy her needs of farm products and basic materials and maintain expanding exports to maintain domestic employment or break the conditions of the peace treaty and trade with Communist countries. It is likely that if the Japanese are forced to orient their economy to that of the Communist orbit, they will be forced to discontinue their military cooperation with the United States. It would cost the United States billions

per year to replace the vacuum created by Japanese military neutrality. Yet, an assured supply of wheat, cotton, soybeans, and sugar are vital to Japanese continuation in the security program of the United States.

The Communist bloc is a great underdeveloped area which peculiarly complements the industrial economies of Western Europe and Japan. Pressures are mounting rapidly within these countries to trade with Communist nations. Supplies of food and raw materials in free world markets, which can be bought with the industrial exports of these countries, must be created, or the pressure to trade with the Communist area will become irresistible, and United States defenses thus jeopardized.

To make the free world self-contained requires a multi-billion-dollar investment to increase production and expand trade. Using surplus farm products to provide that capital might not be the ideal solution, but when none other is in sight we should surely make every effort to find some way to convert some substantial part of the multi-billion-dollar investment of the CCC into a capital revolving fund, which is essential to creating the self-contained community of free nations that is the cornerstone of United States security. S. 2475 is a lifeline to Japan, Italy, and others. It gives them a chance to buy the farm products they need to raise living standards. It opens up markets for them to maintain employment. It provides capital to expand their economies and live without dependence on Communist areas. The program envisaged in S. 2475 is a means to help to build a strong community of free nations to preserve freedom. It is a means to reinforce our foreign program.

There are a few points which I would like to make in support of S. 2475.

The first point I would like to make is that I am proud of the capacity we have built in this country to produce farm products. American farmers responded to war and rehabilitation needs of people around the world by investing billions of dollars to expand their production. We have no need to be ashamed of their prodigious accomplishment. Millions of people would have suffered had it been otherwise.

I have no sympathy with those who are ashamed of our abundance and therefore want to give it away, conceal it or in some way hide it. Half the population of the free world remains ill-fed and ill-clad; yet these people could pay for the products they need. We need to work out new ways to relate our capacity to produce farm products to the needs of people on a thoroughly sound and economic basis. This will be a difficult problem but compared to the difficulty of releasing and harnessing atomic energy, it does not seem so difficult. And it may be far more important to our national security than unlocking the secrets of the atom. Enactment of the bill, S. 2475, lays out a program to sell farm products, not give them away. It boldly opens up new opportunities for customers to buy farm products.

The second point I would like to make is this: The most vital need for Amer-

ican agriculture today is to expand and create new foreign markets for farm products. Expanded markets are the best guaranty of high farm income and the best protection against the dangers and cost of severe production control.

There are three important requisites in order to expand and create new foreign markets:

First. Orderly marketing must be established in new areas. There must be adequate stocks to maintain continuous supply, adequate storage, processing, packaging, and merchandising.

Second. There must be an ability to pay for the products we want to sell.

Third. There must be an opportunity to pay for our products with what customers have to sell.

S. 2475 measures up to these conditions of expanded markets for United States farm products. It authorizes assistance in creating orderly marketing of farm products. It provides means for increasing the capacity of customers to pay for increasing amounts of farm products through loans to increase production of noncompetitive imports into the United States, such as coffee and tin, and for loans to increase production for exports to other countries.

Finally, the bill opens up new opportunities for customer nations to pay for their import needs for farm products. These new opportunities to pay are included in the bill. They may pay the United States by—

First. Establishing orderly marketing facilities to expand the sale of farm products.

Second. Supplying strategic materials for United States stockpiles.

Third. Providing military equipment, materials, and services for common defense.

Fourth. Providing relief or needs to meet security objectives in lieu of appropriated dollars.

Fifth. For those countries not able to pay in one of the above, the program enables them to sell something to a third country that can pay the United States in one of the above.

The United States is spending nearly \$50 billions per year for defense. It is depleting its mineral resources at the rate of 2 billion tons per year. Opening up an opportunity for customer nations to earn more by contributions to the cooperative military efforts and replenish some small part of the exhaustible minerals in exchange for farm products is mutually good business.

These are the requisites to expanded markets. S. 2475 accommodates them.

The third point I would like to make is this: S. 2475 provides the means to convert CCC's frozen assets into a revolving fund of working assets which can be used as capital to create a strong community of free nations bound together by mutual interest to preserve freedom. The funds can be used to create, to build, to expand, to stimulate production, trade, and employment.

S. 2475 is a solution in part at least to our agricultural ills. I hope this legislation will receive the unanimous support of the members of the House.



Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, hungry and ill-clad peoples in many parts of the world will benefit from the surplus-disposal legislation which is now being considered. The purpose of the legislation is greater utilization and enjoyment at home and among friendly allies abroad of the abundance of food and fiber produced by the American farmer. The bill declares it to be the policy of the Congress that this abundance shall be distributed in such a manner as to enhance international trade and to promote the welfare and economic stability of agriculture, as well as to further the foreign policy of the United States.

The program of distribution covers a 3-year period of time authorizing a total of \$1 billion for use in the sale of food and fiber for local currencies of other nations, and also sets up a barter arrangement by which strategic materials may be made available to the United States. In addition, emergency assistance to meet famine and other relief needs of free nations is provided. The surplus commodities that will be distributed under this phase of the program will be undertaken through private agencies such as CARE.

During the war years the American farmer was called upon to produce in ever-increasing quantities, which resulted in the accumulation of excesses of both basic and perishable commodities. There was a production increase of some 40 percent over prewar levels. Our productive capacity at this time is running at such a rate that there are more goods available than the market demand can consume. Exports have fallen off, which in itself has accentuated the prevailing situation. It is intended by the legislation to expand world trade through the means of developing new markets and the sale of the commodities for local currencies. Under the legislation, rigid standards are provided in which the President shall take steps to assure that private trade channels are used both with respect to sales from privately owned stocks and those of the Commodity Credit Corporation. Also, he is to take reasonable safeguards against displacement of the usual marketings of the United States, or of the free nations. The idea being that such sales are not intended to disrupt world prices.

The program under titles II and III will demonstrate to the recipient nations as well as within our borders that Americans are desirous of relieving hunger rather than permitting the goods in our storehouses to deteriorate or spoil.

This legislation is most meritorious and deserving of the support of this body.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I am sure my colleagues of the committee will be pleased to get away, even temporarily, from the morass of international politics and trade and back again on a solid foundation of considering some domestic

angles to this legislation. I have asked for this time, Mr. Chairman, for the purpose of calling the attention of the committee to title III, at the bottom of page 12 and the top of page 13, which vitally concerns me at this time. It is an attempt to channel some of these surplus commodities to areas where we have a desperate situation due to unemployment. I want first of all to commend the committee for their efforts to relieve this situation by the provisions they have placed in title III. I do want to ask some clarifying questions, however, and make a suggestion where their wording might be improved. I call attention to the fact that on page 13, it reads as follows: "in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities."

I am raising the question about all of that language on page 13. I am wondering why it would not be possible to strike out "if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities." I notice that same expression is in the provision for the sale of these products to foreign countries under their soft currency arrangement, but I am at a loss to understand why it would be attached to the program where it is a matter of giving the surplus products away. If you will follow on down through in the next line, provision No. 2, the President is not so handicapped in distressed areas. What is the difference between a man who is unemployed and has no source of living and somebody who has been displaced by a hurricane or a tornado? That same clause is not in the second section.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield briefly.

Mr. ABERNETHY. If the gentleman would strike out that language, it would result in creating another problem such as the gentleman desires to solve. If you cut off the domestic market of the domestic producer, then you put that domestic producer on charity.

Mr. BAILEY. Let me ask the gentleman, if the need is absolute and a man is unemployed and his family is hungry, you are not displacing any market there. He has not any purchasing power. You are not displacing any market.

Mr. ABERNETHY. Then the language to which the gentleman refers would not apply.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. COOLEY. I thought that this language would be acceptable to the gentleman from West Virginia because in fact we use the word "unemployment." If the distress results from unemployment, then they can move in and make these commodities available, but if you eliminate the word "unemployment"—

Mr. BAILEY. I do not propose to eliminate the word "unemployment."

Mr. COOLEY. But you are proposing to eliminate the section which requires the President to find something further than the fact that there is a distressed area.

Mr. BAILEY. The only part that I want eliminated is this:

If the President finds that such use will not displace or interfere with normal marketing of agricultural commodities.

There is no purchasing power and no market there to displace.

Mr. COOLEY. So the language is harmless.

Mr. BAILEY. To a certain extent that is true, but I am wondering why it is in there.

Mr. COOLEY. It was put in so as not to disrupt the normal trade channels and the normal markets. That is all it was put in for.

Mr. BAILEY. I would like to raise a question as to the words used in line 1 at the top of page 13:

Notwithstanding the foregoing, the Corporation may make available to the President any farm commodity owned or controlled by it for use in relieving distress.

I would like to suggest to the committee that the language there be amended to make it read "shall make available to the President." You are going into a foreign program to sell these commodities. Suppose there is a considerable demand from foreign countries. In a matter of a few months your surplus may all be wiped out, to the detriment of distributing it into these distressed areas. If there is a situation there, I think the Commodity Credit Corporation should be directed to say, "they shall make it available to the President."

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, first I want to join the general commendation of the committee for bringing, what I believe to be a very sound and constructive proposal to the floor.

For some years I have been convinced that the problem involved in handling the surpluses, the question of possible deterioration, the gigantic cost of storage, and a number of other related problems were the first order of business before Congress; and I am delighted that this afternoon we seem to be about ready to approve the recommendations of the committee.

I do want to ask the chairman, if I may, certain questions as to the details. Referring to page 5 of the committee report I find the sentence:

It extends the availability of food for needy persons in the United States, for the school-lunch program and other nonprofit uses.

I would like to know something as to the methods that will be used, the type of people who will be authorized to make



application to receive the goods and distribute them, and whether or not the committee has any specific idea of who would qualify.

Mr. HOPE. Let me say to the gentleman first that I am glad to have this opportunity to commend the work he has done in connection with this legislation, because he has done some very constructive work and put in a great deal of study on the matter. The committee is very grateful to him for the assistance he has given it relating to the distribution of surplus commodities, particularly among needy persons here in the United States.

Mr. HESELTON. I thank the chairman.

Mr. HOPE. Replying to the gentleman's question, I think the first answer is that it expands the availability of food in the sense that it no longer makes it necessary for the Secretary of Agriculture to determine that commodities have deteriorated or are in the process of deterioration before they may be made available. Under this legislation that standard has been eliminated, and any goods which may be in the hands of the Commodity Credit Corporation are available for distribution if the Secretary decides that there is no available commercial market for them either at home or abroad and that there is a proper method of disposal for handling them.

The language is also intended to cover the inclusion of some additional classes and groups and agencies as eligible recipients of these commodities. I might call attention to the fact that public hospitals are now included and also State and Federal penal institutions are included. They have not been included previously.

Mr. HESELTON. I take it, Mr. Chairman, that in general it would be the public officials of the State in cooperation with local communities who would be the ones expected to determine the need and make the application.

Mr. HOPE. Yes; that is true. That would be subject, of course, to the approval of the Secretary of Agriculture and the Commodity Credit Corporation. But the policy that has been followed is to deal with the State and local agencies in these matters; and as I understand the Commodity Credit Corporation does not deal with the distribution of these commodities in any State unless there is some State agency which has been set up through which these operations can be carried on.

Mr. HESELTON. If I understand correctly, the question was whether or not in the case of a State as large as the State of Texas, for instance, it might not be possible to have two warehouses at different points to which commodities might be delivered to the State authorities for distribution.

Mr. HOPE. Yes, that might be entirely possible. The purpose is that CCC would be limited to delivering commodities to one or more central locations in the State and not undertake any distribution within the State.

Mr. HESELTON. Finally may I refer to this sentence in the report:

It makes commodities available for relief distribution abroad by private nonprofit welfare organizations.

Will the Chairman explain who would qualify, how they would do that and the procedures to be followed?

Mr. HOPE. Private voluntary relief organizations will participate in distribution of commodities both under title II of the bill and under the permanent provisions of section 416 of the Agricultural Act of 1949, as amended in title III. In the programs under title II there is no specific qualification set up for relief agencies but the President is directed to use them to as great an extent as he can. In the amendment to section 416, eligible relief agencies are those who are recognized by and registered with the Foreign Operations Administration or other appropriate Federal agency.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I am one of those on the agriculture committee who is deeply interested in this problem and introduced a bill similar in many respects to the one before us. While I am not entirely in agreement with all provisions of the bill before us I think in general it is a fairly good bill, the best we can get in view of the attitude of the administration and that it will go a long way toward solving the surplus problem which confronts the 25 million people who live on the farms of our country.

But, Mr. Chairman, there is one thing in the bill which disturbs me. It relates to a philosophy which has been built up in this country over the last 10 years and which seemingly will never turn in the other direction. That philosophy is that the surplus production of our country both of agriculture and industry, should not have the privilege of taking its rightful position in the world markets. Why should not our surplus production be a determining factor in establishing the world price.

I would like to direct the attention of the members of the committee to the language on line 12, page 5, subsection (a). There you will find that in negotiating the agreements the President shall do what?

Take reasonable precautions to safeguard against the displacement of usual marketings of friendly nations.

When we had the Department of Agriculture through its officials before our committee, I asked one of the officials if he could name one single country, just one, in all the world which was today withholding its exportable surplus because it might interfere with the usual marketing of exports from the United States. Well, of course, he could not name any. There are none. To my knowledge, there is no nation in the world today which is withholding from the world market any part or portion of its exportable surplus out of its consideration not to interfere with the usual world marketings of the United States. Yet we lean over backward to protect the world marketings of other nations

at the expense of our own economy. In fact this is one of the reasons we have a surplus of farm commodities.

Let us go a little further. Further on in the section to which I just referred we find the following additional limitation: "and assure insofar as practicable that sales under this act will not disrupt world prices of like commodities of similar quality."

Now, when did the time come that the production of American industry or of American agriculture should not be a factor in determining the world market price? The world market price today for exportable agricultural commodities is based upon the supply available from all countries of the world excluding that of the United States. Therefore the world market price is not a true price. One reason for this situation is because the State Department in years gone by and at the present time has denied the world market to that exportable portion of farm commodities produced in the United States. A bushel of corn produced in the United States and put on the world market might to a certain extent disrupt the world market.

Maybe we should be more realistic and say a million bushels. Technically, a drop of only one-tenth of 1 percent would be a disruption. Even though it is small, it would nevertheless be a disruption and come within the limitations of this section of the bill and thereby deny the world market to our own producers. Certainly, the world market ought to be determined by the entire supply from all countries of the world, including the United States.

I asked that official from the Department of Agriculture one further question. I asked him if he knew of a single merchant in the city of Washington who today had an over-supply of merchandise on his shelves and who because of his consideration for his neighboring merchant across the street was withholding his over-supply from the Washington city market. And, of course, there are none.

The point I want to make is that I want to see the time come when the production of the United States, whether it be from industry or from agriculture, will have its rightful place in the determination of the world price, and that it also have the privilege of moving in a world market instead of being withheld as it is today out of our charitable consideration for the rest of the world. May the day come when the State Department will have some little consideration for our own people.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, I wish to commend the Committee on Agriculture for bringing out a bill which I consider to be one that is realistic. I have had considerable mail from people in my district who have been asking



me about the means of disposal of these commodities.

I would like to address myself to the chairman of the Committee on Agriculture and ask him what is the intention of the Committee on Agriculture when it comes to disposing of these commodities? Is it the intention of the committee that the Secretary should use some of the existing agencies, such as church organizations and CARE in the distribution of these commodities.

Mr. HOPE. Yes. I might say to the gentleman that the bill specifically provides in title II, section 204, that—

The President may make such transfers through such agencies, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

Note the word "shall." That word "shall" was put in there by the committee with the thought in mind that on every occasion, where it was practicable, those agencies should be used. I am sure I speak for the entire committee when I say that I feel they should be used wherever possible in the distribution of these commodities. We feel, in the first place, that the distribution of these commodities by voluntary agencies, which will be distribution to persons, will be the best assurance that this distribution is not going to replace transactions in the normal channels of trade. In other words, they will be consumed by people who would not have purchased these goods under ordinary circumstances, and that, of course, is one of the objectives of the legislation. In the second place, of course, the committee feels, after carefully looking into this matter, that those agencies have demonstrated that they have the ability and the experience and the organization that will enable them to do a good job in making the distribution.

Mr. MARSHALL. I thank the chairman for thoroughly answering my question. As usual, he answers these questions very well.

I would like to make a comment or two about the situation that we find ourselves in. For a good many years we have been able to put on the world market those things that we produce without seeking that market.

In other words, the world market was in such position that it could absorb anything we could possibly produce. That situation has changed to the point where the American farmer is in the position where he must fight for his fair share of the world market. I regret that the Secretary of Agriculture and his representatives who have come before our Committee on Agricultural Appropriations have not made use of the means that they have had at hand to put these commodities into world markets at competitive prices.

How in the world are you going to be able to sell products unless you offer them? They have not been offered in the world market so that the people could take them.

I think the weak part of this particular bill is not in the writing of the bill, but the possible difficulty in administration

of it. I hope that the Secretary of Agriculture, who will be largely responsible for the administration of this bill, will be realistic and will recognize the fact that it is necessary in behalf of the American farmer that he fight for markets to a greater extent than he has to date in the administration of his programs.

Mr. Chairman, I think that this bill will have a great impact upon the conduct of our policy in foreign affairs, in that food can be used as a weapon. I say to you, Mr. Chairman, we have never made the use of food as a weapon as effectively as we should in this fight against the insidious effects of communism, but I say that the cost of that should not be charged to the American farmer. It is something that would be done for the welfare of all the people in the United States and should be properly charged to all of us.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I strongly support this bill, S. 2475, in the form in which it is brought before the House by the Committee on Agriculture. I note that the purpose is to authorize the use of \$1 billion over the next 3 years to broaden the program for the sale of food and fiber for the local currencies of other nations, as well as a program of barter for strategic materials needed by the United States.

I have looked at the provisions dealing with strategic materials as, quite naturally, I have an interest in that direction. I have prepared a short amendment which I hope will be acceptable to the committee, which I shall offer when the bill is read for amendment, to bring the acquisition of strategic materials under the terms of this law, within the applicable terms of the Strategic and Critical Materials Stockpiling Act, so that we will have a balanced program in the acquisition of strategic materials.

I have worked for about 15 years trying to get that field boiled down into one responsible agency, and have it administered under one set of rules, so that we can judge it properly and have it better administered. I do not want to see a law as good as this bill come along and cut into that pattern of our strategic materials acquisition. But I shall not go into the details of that now. I shall wait until I offer the amendment when the bill is read for amendment.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. ROGERS of Colorado. I expected to talk on the subject of the amendment which the gentleman has in mind. I wonder if the gentleman would explain to us how his amendment would work under the provisions of this bill.

Mr. MARTIN of Iowa. I shall be glad to state what my proposed amendment would do. It would be offered at page 9, line 7, at the beginning of subsection (b) of section 104, where I add the phrase at the beginning of that subsection: "Within the applicable terms of the Strategic and Critical Materials Stockpiling Act."

Then we will have the acquisition of strategic materials all done within the applicable terms of that act. The gentleman will note later in that subsection that they do provide that the release or resale of materials shall be governed by that act. I want the acquisition of the materials also to come within the applicable terms of that act, because that act is the product of many years of work and has a very real purpose in our national defense. I do not want to see anything done that will start to cut that act apart. The gentleman knows what a struggle we had to bring that whole program down into one responsible agency. It had been spread out to some 34 agencies, and we could never make head or tail of it.

Mr. ROGERS of Colorado. Does the gentleman feel that that would in any manner help the domestic production of strategic metals?

Mr. MARTIN of Iowa. It would safeguard them, as we intended to do in the Strategic and Critical Materials Stockpiling Act.

Mr. ROGERS of Colorado. Under the present Stockpiling Act, is it possible for the Government to purchase metals outside the United States?

Mr. MARTIN of Iowa. It is possible to do so.

Mr. ROGERS of Colorado. Are they not doing it?

Mr. MARTIN of Iowa. They are doing that, and they can augment that program with that provided here without hurting the program at all, provided they do it under the limitations of the Stockpiling Act.

Mr. ROGERS of Colorado. If they have the authority under the Stockpiling Act at the present time to purchase outside the United States, and we do adopt the amendment suggested by the gentleman, does not that also give to the United States or to the Commodity Credit Corporation additional moneys to purchase metals, that would in turn run down the metal market of this Nation?

Mr. MARTIN of Iowa. If the gentleman will bear with me on the terms of the Stockpiling Act, he will find plenty of safeguards in that act to do what he has in mind.

Mr. ROGERS of Colorado. The gentleman and I recognize, do we not, that we do not at the present time have any domestic production of many of the strategic metals like zinc and lead?

Mr. MARTIN of Iowa. That is why we wrote into the Stockpiling Act the "buy American" clause, and that is why we kept all free-trade provisions out of the Strategic and Critical Materials Stockpiling Act.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, the report on this legislation and its provisions made reference to some of the surplus commodities being made available for school-lunch programs. As pointed out on page 14 of the bill, such commodities could be donated to such State, Federal, or private agencies as might be designated by the proper State or Federal authorities and ap-

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proved by the Secretary for use in non-profit school-lunch programs.

What I would like to know from the committee, is it absolutely necessary before these commodities are made available under this program for the Secretary to find that it is in order to prevent the waste of commodities, as provided in the first sentence of section 416, line 20 on page 13? In other words, must the Secretary or the Commodity Credit Corporation first find that there is danger that these commodities will be wasted before this program can become operative?

Mr. HOPE. In reply to the gentleman, I will say this bill frees the Commodity Credit Corporation from being required to make a finding that the commodity is in danger of loss through deterioration or spoilage before it may be distributed under the provisions of this legislation. In other words, it has been necessary heretofore that the Commodity Credit Corporation find that the product was subject to deterioration. That is not necessary under this legislation and, therefore, all commodities which are owned by the Commodity Credit Corporation may now be distributed subject to the requirements of law and the judgment and discretion of the Secretary.

Mr. ROGERS of Colorado. Then, I understand that under the wording "to prevent the waste of commodities acquired through the price-support operations of the Commodity Credit Corporation" as it is set forth on page 13, from lines 20 to 22, which I have read, it is not necessary for the Secretary to find or for the Commodity Credit Corporation to find that these products or commodities are deteriorating before he can go into this program, is that correct?

Mr. HOPE. That is true, and if the gentleman will refer to that part of the report which contains the Ramsayer provisions, he will find that the change which has been made in the law, that is in existing law by this legislation, eliminates this language, "which are found to be in danger of loss through deterioration or spoilage." The elimination of that language removes the necessity for the Secretary making that finding. I think it is proper that the language "in order to prevent waste" should be there because, of course, any of these commodities would be wasted if they are held long enough. Even the storable commodities are going to be wasted unless some use is made of them. So I think I can give the gentleman the assurance that the use of that language does not in any way interfere with the authority of the Secretary to distribute the commodities as he sees fit without a finding of deterioration.

Mr. ROGERS of Colorado. I appreciate the answer that the gentleman has given. May I have his attention for one further question. Is there any limitation placed upon the Secretary to make these commodities available under section 302, as outlined? In other words, if he finds that he may dispose of them profitably, or I should say give them away without having to pay storage on them, or finds people who can use them

in a lunch program, or who can use them in a Federal and State institution or a publicly owned hospital, he is privileged to dispose of any amount that he so desires?

Mr. HOPE. Yes, within the list of recipients that is contained in the legislation. He is limited in the character and class of recipients who may receive the commodities.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, this bill, of course, has a triple purpose. Perhaps I should say a dual purpose, with one of the purposes divided into two parts. One main purpose is to promote the foreign policy and the foreign trade of the United States. The other is to make the best possible use in our international transactions of the gigantic surpluses of agricultural commodities which we now have in our own country. The bill provides two main ways to do that. The one in title I is to sell them as additional sales wherever possible to those countries which are already buying all they can with their resources and their currencies that are convertible into dollars. Where they need, want, and are willing to buy additional quantities of our surpluses with currency that is not convertible into dollars, the bill authorizes our Government to sell for that currency, and use it for developing their economies and world trade.

Title II provides up to \$1,300,000,000 worth of surplus commodities to be furnished on a grant basis to friendly nations for relief needs and to help improve their health and well-being.

I want to speak primarily of the first at this time—sales for foreign currency. The bill provides that the surpluses cannot be sold at less than the maximum world market price, which is to avoid dumping and depressing effects upon world prices. They cannot be sold where they would displace our usual marketings or those of friendly countries. They can be sold only where agreements have been entered into which will prevent the buying countries from reselling or transshipping them, without specific approval of the President. To the maximum extent practicable the operations must be carried on through private trade channels.

Now those objectives and safeguards certainly are sound and desirable. But it is a difficult operation. I first became interested in this whole proposition through our studies on the Committee on Foreign Affairs. This bill, S. 2475, before us today grows out of an amendment which the gentleman from Texas [Mr. BURLERSON] and I introduced during consideration of the foreign aid bill last year. It was rejected in its original form, but as a member of the conference committee I got the principle of it adopted in the conference with the Senate. It is section 550 of the Mutual Security Act of 1953. During debate on the conference report, last July 13, I summarized its objectives as follows:

This amendment is an effort to help countries in need, to help them with the surpluses which exist in our own country, to help them expand their production and trade as a long term way to deal with their shortages and our surpluses, and to use our surplus farm products, that are already paid for, as capital in lieu of dollars in the process of helping develop those countries which are underdeveloped in many respects.

I summarized its major provisions as follows:

The President must use these commodities in such a way as to increase production in other countries—agricultural, industrial, and otherwise; to expand trade between them and between them and ourselves; to produce expanding economies in such countries, an expanding world economy, and thereby expanding markets for United States products.

That amendment, section 550 of the Mutual Security Act of 1951, operated better than even most of us who were enthusiastically for it, believed probable. The agencies administering it were not too favorable to it. As you know, Government agencies would rather have dollars than commodities. It is easier to use dollars.

Furthermore, the recipient countries would rather have dollars; then they can shop around and do whatever they please. But as long as our granaries are bulging with these surpluses, Congress does not have the moral right, in my opinion, to take additional dollars from our taxpayers and give them to countries where we can accomplish the same end with agricultural surpluses which have already been bought and paid for. That is, we should use tax dollars to reimburse the Commodity Credit Corporation for its commodities, and use them rather than give the dollars abroad, wherever it can be done without upsetting normal world trade patterns and the existing markets of our own and friendly countries.

Section 550 required the President to use not less than \$100 million and not more than \$250 million to finance the purchase of surplus farm commodities for sale to friendly countries in excess of their usual purchases, taking in payment their own currencies. I am happy to report that \$235 million had been allotted by May 6, 1954, for the purchase of surplus farm commodities under that amendment. Of that amount, procurement authorizations had been issued amounting to \$220 million. Sales under the program have included wheat, barley, corn, flour, soya beans, lard, cotton, tobacco, and other farm products. Sales have been made under the program to the United Kingdom, Germany, Netherlands, Japan, France, Formosa, Spain, Norway, Afghanistan, Finland, Israel, Yugoslavia, and Italy.

Of course being a new program, in a sense a pilot program, many people did not believe it would really work. They did not have much enthusiasm to try but it has proved more valuable than they expected. The weaknesses that appeared, as we knew would be the case, are largely corrected, we believe, in the House version of S. 2475. Other amendments will be offered to further improve the program on the basis of the year's experience.



As stated earlier, the gentleman from Texas [Mr. BURLESON], and I worked together on section 550 of the Mutual Security Act last year, and after it had been passed we introduced identical bills along the same lines which were referred to the Committee in Agriculture. Hearings were held on those bills in connection with Chairman Hope's bill, H. R. 6016, which had to do with using surpluses for famine relief, but the committee did not see fit to bring out our bill last year.

This year the executive branch sent a draft bill to the Committee on Agriculture, based on its year of experience with section 550. The draft incorporated the main features of section 550 of our bill with changes designed to improve it and to take the bugs out. That draft, as amended by the Committee on Agriculture, became its substitute for S. 2475, now under consideration.

The executive branch sent essentially the same draft to the Foreign Affairs Committee, because the subject had been handled last year by the Foreign Affairs Committee. This is one of those cases where there is concurrent jurisdiction. The Committee on Agriculture properly has responsibility for operating the price-support program and handling the surplus commodities which have resulted—a great asset and a great problem. The Foreign Affairs Committee has responsibility for shaping our various foreign-aid programs and it rightly seeks to use every asset in our country that can be effectively utilized in the promotion of our foreign policy, good international relations, our national security and that of the free world.

The executive branch draft which came to the House Foreign Affairs Committee was originally titled XI of the bill which we are working on in that committee, the Mutual Security Act of 1954.

It has been amended by the Committee along the lines suggested by the gentleman from Texas [Mr. BURLESON] and myself, and has been adopted as title IV.

The Foreign Affairs Committee decided that until it was certain that this bill from the Agriculture Committee would be acted upon favorably by both bodies, it would keep the title in our MSA bill. If the bill is finally passed in a form that satisfies our ideas of how to use the commodities most effectively in our foreign relations, the Foreign Affairs Committee can strike the title from its bill. We expect to offer eight amendments today, which if adopted we believe will permit use of the surpluses more fairly, more effectively, and in a simpler way. None of them is intended to be controversial. They are more in the nature of perfecting amendments than alterations in the basic philosophy of the bill. I am happy to report that the chairman of the committee and the minority member in charge today, the gentleman from Texas [Mr. POAGE], have agreed to accept most or all of the amendments. There are two others which they are not willing to accept and we shall not offer them. I think they will probably show up when we get to the Foreign Affairs Committee bill. They

have to do with the way in which the value of these surplus commodities is to be computed.

On page 8 of the pending bill, section 102 provides that for reimbursing the Commodity Credit Corporation:

There are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export.

Now that is a right method from the standpoint of agriculture. You want to keep unimpaired the loaning and purchasing power, the capital structure, of the Commodity Credit Corporation. I doubt that there is anybody in Congress who will not vote to restore whatever impairment there may be at any time in the purchasing power necessary to carry on CCC operations under the price-support program.

But from the foreign affairs standpoint we would like, instead of a sum equal to the Corporation's investment in its commodities, to substitute a sum "equal to, first, the dollar value of the foreign currencies received in payment for commodities made available for export."

The reason is obvious. It is not fair to ask that funds appropriated to carry out our foreign policy should take care of the losses of the Commodity Credit Corporation which has wheat, which it bought, for example, at \$2.25 when that was the price-support level, but which perhaps is now worth only \$1.75. The funds that are authorized for foreign aid obviously should not be charged for that disparity but should be transferred to the Commodity Credit Corporation for its surplus, on a basis which represents the actual dollar export value at the time of export.

I cannot disagree with the Committee on Agriculture in its position, and so I am not going to submit this amendment today, but I wanted to bring the matter before the House. Because when it comes later to authorization of funds to be appropriated primarily for our foreign-policy interests, rather than to help agriculture, I believe they should be used to reimburse CCC for its surpluses only in amounts equal to the actual current export value of the commodities.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. COOLEY. How can we protect the Commodity Credit Corporation's funds and purchasing power unless we appropriate an amount equal to the value of the investment?

Mr. JUDD. The answer is, there would have to be two appropriations, one to reimburse for actual present values of commodities used, the other to reimburse it for its losses. There is nobody here who will not vote to restore the capital structure in that sense. But obviously it is not reasonable to expect foreign-aid funds to make good the losses of the Commodity Credit Corporation in handling the price-support program.

Mr. COOLEY. I will not pursue the matter further or take time needlessly, because the gentleman has indicated that he is not going to introduce the

amendment. But I do not think foreign aid should be saddled on the back of agriculture.

Mr. JUDD. No; neither should agricultural losses be saddled on the back of foreign aid.

Mr. COOLEY. Take, for instance, the matter of cotton. The gentleman's proposition would not work in the matter of the disposal of surplus cotton, for it is provided that the price received for it shall include all charges, and so forth.

Mr. JUDD. If a loss is incurred by the Commodity Credit Corporation it should not be charged against the foreign-policy program, but the Corporation should be reimbursed by separate action of the Congress.

I hope these amendments we are going to offer when the time comes will be accepted.

Now, Mr. Chairman, may I enlarge a little on the philosophy behind this bill? It proposes a program of far-reaching implications. It is important to American agriculture. It opens up a way to reduce the huge quantities of unsold farm products that overhang and threaten both domestic and foreign markets. However, even more important to United States agriculture than the existence or method of liquidation of today's surpluses is the vital need to expand and create foreign markets in order to lessen need for and the dangers of severe production restrictions. Senate bill 2475 would convert the frozen assets of the Commodity Credit Corporation into working capital to expand foreign markets for wheat, cotton, soybeans, lard, dairy, and other farm products. It would have far-reaching, beneficial effects on United States foreign relations all over the world.

I would like to illustrate with one area. Last autumn I led a special study mission of the Foreign Affairs Committee through nine countries of southeast Asia. Our report states:

The study mission returned from its Asian trip firmly convinced that a free Asia is vital to the security of the free world, and therefore the security of the United States. The Communist danger cannot be overestimated.

In most of this great populous area so essential to the security of the United States food consumption is barely maintained at the subsistence level. Textile consumption averages less than one-eighth of consumption in the United States. Per capita income—except for Japan—is less than one-twentieth of that in the United States. Yet this same area of impoverished people has vast undeveloped resources whose development could ideally complement the economy of the United States. The weakness of the people just emerging from war, occupation or centuries of colonialism, combined with the richness of the area in natural resources, makes it a prime target for Communist expansion.

The need of the area is for more food, more textiles, and more capital to develop its rich resources in order to build the foundation for economic strength and political stability. This bill, if properly amended and operated, provides a means to sell food and textiles needed



by the people in the great area for their own currencies. It then provides for using the currencies as capital to promote essential development of the economies of the nations of the area, and of other areas, in a way to complement each other, as well as to complement the economy of the United States. Given time, it would help create a community of strong, free nations in Southeast Asia and the Western Pacific that would weaken the effect of Communist promises, attract those oppressed by Communist tyranny, and thus weaken the Russo-China alliance.

In the long run, the economy of China could be developed most readily and cheaply through Japanese capital industries. Communist China's strategy is to attempt to attract the Japanese economy to its own, both for that purpose and to pull Japan away from ourselves. If this fails, the Communists will pursue even more zealously the alternative of conquering and exploiting the community of free south Asian nations to achieve its own economic development. Japan is a vital part of any south Asian community of free nations. Only Japan has the industrial potential to develop the resources of that vast area. Our study mission concluded:

Japan must expand her foreign trade in order to procure essential raw materials and sell her products. If these markets cannot be developed within the free world, it has no choice but to trade more heavily with the Soviet bloc, particularly Communist China.

If this alternative is forced on Japan, the Communists, of course, will demand Japan's military as well as economic subordination. The Chinese Prime Minister has already demanded it at Geneva.

The costs to the United States of such a development would be incalculable. We must avoid the necessity for Japan to make this choice. Yet Japan's economic condition is already precarious. She needs to import very large quantities of wheat, cotton, soybeans, sugar, and dairy products. Within the present framework, Japan is unable to earn sufficient foreign exchange in free world markets to buy these farm products and other materials she needs. The program envisioned in S. 2475 would assure Japan more adequate supplies of food and cotton in the free world. The Japanese currency that would accrue from the sale of these farm products in Japan could be loaned to underdeveloped countries like Indochina, Indonesia, Burma, Thailand, India, and Pakistan to buy Japanese industrial, capital, and consumer goods needed to develop the vast resources in those countries. These funds could later be returned by those countries to the United States in the minerals and raw materials essential to maintain our own strategic requirements. Meanwhile, these capital investments could be used to create a community of strong, stable, free nations in southern Asia as a bastion against communism.

There is a further impact of our use of farm products in friendly countries. The unplanned use of the billions of unsold farm products threatens the markets and the stability of friendly com-

peting exporting nations such as Turkey, Egypt, Pakistan, Holland, Denmark, Mexico, Brazil, and many others. The United States position in world leadership itself demands that the United States protect the vital interest of these friendly countries.

S. 2475 can provide that protection. It would remove the uncertainty as to what the United States would do with its excess farm products. It protects competing exporters from indiscriminate dumping prices or giveaway. Ultimate consumers could buy no cheaper from us, in terms of their own currency, than from competing exporting countries. The bill directs the President to implement the provisions of the act in such a way as not to seriously injure the trade of any friendly nation or to depress world market prices.

By far the greatest protection to friendly competing exporters is in a positive approach. It provides a program for increasing employment, stimulating economic activity, and expanding markets for all products in which all competing nations will share. This is not just speculation. The remarkable results already obtained with the pilot operation under section 550 of last year's bill proves the soundness of this concept, and I am sure the Congress will adopt this improved and expanded program.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN and Mr. DEMPSEY asked and were given permission to revise and extend their remarks.)

Mr. WHITTEN. Mr. Chairman, I am glad to see this effort made to break loose to some extent from the restrictions that we now have on the sale of American farm commodities; however, this bill as it is written disturbs me greatly.

In the first place, I am afraid it will be taken by the public that here again we have shown what the American farm program has brought on us. I would like to point out that this Government from 1942 through 1952 asked the American farmer to produce greater and greater quantities of agricultural commodities. During that same period of time we had absolute embargoes against the exportation of a number of such commodities and they were therefore held within the United States when farmers could have sold them at enormous profits abroad. Not only that, but during this same period of time we followed a governmental policy of virtually holding American farm commodities off the world market.

Our Government has and is continuing to do that under the influence of the State Department and the Mutual Security Agency which are charged primarily with responsibilities in the field of foreign relations. They have held out that we must hold ourselves back and not compete so as to not upset the recovery of friendly countries in Europe and the rest of the world. Judged from that viewpoint you can see why they see it as they do; however the American farmer should not bear the brunt. Notwithstanding the fact that the Commodity Credit Corporation today has the au-

thority to sell all the commodities that it has on its hands on world markets at competitive prices it has not done so in practically all cases because of a governmental policy whereby we have offered our commodities—some we have not even offered at all, but those we have offered for sale have been at prevailing prices, not competitive prices. This means that we see what the world market is, we offer our farm commodities at that level, then we do not go down to meet competition, therefore all the foreign countries, our competitors, have to do is to go down 2 or 3 percent and they get the market. When the supply is exhausted they come back to us to make up the slack. We have been a residual supplier.

Here is the thing that disturbs me in this bill: The reason we have not offered commodities for sale, the reason we have not made our prices competitive is because of a feeling on the part of the State Department, which has predominated in this and the past administration, that we must not interfere with the possible market of our competitors. They have kept our price from being competitive.

There are two things essential to a sale. One, is offering it for sale and the other is to make the price competitive. We have the authority to do it but we have not made our prices competitive. I am afraid of that section in this bill which provides that in the sale of our commodities for foreign currency we must take reasonable precautions to safeguard the economy of friendly nations. That is the kind of argument that the State Department has used to cause us to have the present policy. Your huge supply of farm commodities does not result from your farm program; it has resulted primarily because your Government asked our farmers to produce these commodities and largely kept them off the world market principally by embargo and otherwise, and even today does not make our farm commodities prices competitive, though our farm program contemplates that agricultural commodities of the United States shall move in world trade. I am afraid that in this bill we are giving the State Department something to hide behind.

This bill is an effort, but I am fearful of some provisions in it. They may well be used in line with the arguments that have been made heretofore by the State Department to bring about our present situation. I would much prefer to have seen the committee bring out a bill which I introduced, which would direct the Commodity Credit Corporation to offer its commodities for sale on world markets at competitive prices as now authorized by law. As the situation exists today the Corporation does not do that though it has the authority. I further urge that the commodities, surplus to our needs, in the hands of CCC be channeled through private trade so that these commodities may be offered through private channels.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.



Mr. MILLER of Kansas. Does the gentleman mean by his argument that the farm program has been made the whipping boy of our foreign policy?

Mr. WHITTEN. May I say to the gentleman that there may be many reasons for some of the foreign policies that we have followed, but, if so, the costs should not have been charged up to American agriculture and to the farmers.

Let me make this further statement. Selling for foreign currency is thoroughly sound. It will not add to the sum total of our international trade because now we spend dollars for our military expenses and these dollars are spent back here. If we sell agricultural commodities for foreign currencies, presumably such foreign currencies will be used for our military needs, and we won't spend dollars. The total trade will not be increased, but if, by selling surplus agricultural commodities for foreign currencies, we can use those currencies to pay our military expenses, we are meeting our costs in foreign land with our surpluses, and that makes sense.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, I would like to ask a question of the gentleman from Kansas [Mr. HOPE] for the purpose of clarifying the provisions of section 202. As I understand these provisions, the distribution of surplus commodities under section 202 is not conditioned by the provisions of section 201; in other words, the conditions laid down for distribution under section 201 do not apply to section 202.

Mr. HOPE. Yes. I will say in reply to the gentleman's question that the gentleman's statement is correct.

Mr. HAYS of Arkansas. Further, can the chairman enlighten us as to the distribution of the surplus commodities by voluntary, nonprofit agencies? The President is authorized to designate such voluntary agencies for the distribution of the commodities, and that is in the President's discretion; is it not?

Mr. HOPE. With respect to the gentleman's second question, section 204 provides that "The President may make such transfers—" referring to the \$300 million authorization—"through such agencies, in such manner, and upon such terms and conditions as he deems appropriate."

That is understood by the committee to include voluntary relief agencies as well as international agencies.

Mr. HAYS of Arkansas. The President might find that such voluntary private and international agencies are in a position to provide facilities that might be more acceptable than the official Federal agency in some situations.

Mr. HOPE. Yes. Continuing my reply to the gentleman, he will observe that in line 19 the word "shall" is used as far as voluntary relief agencies are concerned, and it is stated that "The President shall make use of the facilities of voluntary relief agencies to the extent practicable."

Mr. HAYS of Arkansas. I am very grateful to the gentleman from Kansas,

and his answer does provide a clarification on those two points.

Mr. Chairman, our surplus agricultural commodities constitute today both a great domestic problem and a great challenge. Surpluses are not a temporary problem, not a problem caused by our price supports, they arise out of our highly efficient agriculture and out of the full output character of American farming regardless of prices and regardless of prosperity or depression, of war or peace.

If we use these surpluses wisely we will be blessed because of this inherent full capacity of our farms. But to make them a blessing we must have the good judgment and statesmanship to use them as a power for creating goodwill and peace instead of allowing them to become a disgrace by rotting on our hands as a hungry world looks on. With proper use these surpluses can be made a far more potential means of combating the spread of communism than the hydrogen bomb.

This then is the challenge of our surpluses. Will we set up the right means of using them, or will we allow them to waste in a world where two-thirds of the people are hungry? Will we use them in such a way that they will not set a bankruptcy price for our farm products at home? We can dispose of them abroad, after relieving the limited needs at home to feed the hungry, to create new markets for our products in the future, to combat communism that thrives in an atmosphere of hunger and chaos. We can use them to build up the economics of friendly nations and thus build goodwill, and to build economic and democratic strength for ourselves and for all free nations. These things I am convinced we can do under the pending bill's provisions.

Before judging the means of dealing constructively with these surpluses, we must clearly realize, that neither farmers, nor the Government can avoid the production of these surpluses; that, therefore, the problem will be with us for years to come, barring disastrous and continued droughts; and that the problem demands and requires a longtime approach and not primarily an emergency action. The bill clearly takes the longtime view of the problem.

What is the nature of the farm business which makes these surpluses inevitable for many years to come? The 4½ million farmers of this Nation have planted around three hundred and fifty to three hundred and sixty million acres of crops year after year for the past 2 decades, regardless of war or peace, recession or prosperity. Our farmers have increased their power supply used in planting, cultivating and harvesting this cropland from 25 million units of horsepower 20 years ago, to 41 million units today, a 30-percent increase in the total power available to take care of the same amount of cropland. Our farmers now have a superabundance of power to operate their 360 million acres of cropland.

Further, Mr. Chairman, during these two decades mechanization and the use

of mechanical power have enabled the farmer to do more and more of the work required on his farm and to do it more efficiently. For example, I learn that in the Western Corn Belt States farmers now supply about 90 percent of all labor needed on their farms, and hire only 10 percent, compared with hiring around 18 to 20 percent just 15 years ago.

In other words, American farmers now have 360 million acres of cropland, the use of which will go to waste each year if it is not cropped; they now have 30 percent more field horsepower than they had 20 years ago, and the use of this power wastes if it is not used on the cropland; finally farmers have 90 percent of the labor needed to take care of the cropland and harvest its product. This labor also as a rule wastes if it is not used on the farm. Under these conditions, of course, the American farmer will continue to operate this land at full output levels regardless of economic conditions or situations.

Farm families rear more than twice as many farm boys as are required to replace farmers who die or retire. For over 30 years we have supplied the one hundred and fifty to two hundred thousand boys needed to replace retiring farmers, and have reared in addition an average of 250,000 that each year go to the cities to earn a livelihood. Certainly our farmers will not slow down farm production for want of new farmers to take the place of their elders.

Add to all these forces for full output the facts shown by a recent Department of Agriculture report that if we should apply present know-how on the amount of land used at present, and the same number of livestock, we could increase feed-grain output 57 percent; cotton by 76 percent; peanuts by 83 percent; wheat by 40 percent; tame hay 56 percent; and pastures by 97 percent. Livestock products, the report concluded, could be increased by comparable percentages. Still we are adding to our farmers' knowledge by added research and extension.

As a producer the America farmer has no peer. This superiority of farmers as producers has made us the best fed Nation in the world; with food to spare. No nation has ever been so richly endowed with an agricultural system.

These facts offer convincing evidence that surpluses are not caused by price supports nor by lack of business judgment on the part of farmers; and that surpluses will be with us for a long time.

If we lived in a peaceful world, if we did not face an uncertain future, we could doubtless find profitable markets for all of our surpluses. But we do not, and are not likely to live in such a world very soon. Since surplus farm output, with our present production capacity and population, are certain to continue, and since we know uncertainty faces us, we shall need to devise every practical means of distribution and use of these surpluses. The bill before us goes a long step in this direction. I endorse this measure, Mr. Chairman. I believe that title I providing for sales for foreign currencies is important; and that title II



providing for famine relief, and other relief used under conditions requiring the recipient country to contribute as much of the expense of distribution as possible, is an essential part of a sound system of promoting the most beneficial use and avoiding wastage of these surpluses. At the same time it provides for the possibility of helping the friendly receiving nation to build up their own economy, for establishing new and profitable markets for our products in future years, and offers means to combat the spread of communism among hungry people.

Title III offers new ways and avenues of disposal of surpluses, by widening the domestic uses of surplus, and new means of barter and exchange for commodities not produced in this country. Provisions in this title will enable the Secretary of Agriculture to anticipate and plan disposal needs in advance of actual wastage of these surpluses.

Taken all in all this measure should make it possible to get maximum value, both tangible and intangible, out of these surpluses. We can by means of its provisions turn these surpluses into a great service to the Nation and the free world, and avoid having them become a burden on our hands and an embarrassment to the free world. We can use them as a most potent weapon against communism, and as an enormous force for good will and a happier world.

(Mr. HAYS of Arkansas asked and was given permission to revise and extend his remarks.)

(Mrs. SULLIVAN asked and was given permission to extend her remarks at this point in the RECORD.)

[Mrs. SULLIVAN addressed the Committee. Her remarks will appear hereafter in the Appendix.]

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. JOHNSON of California addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. MILLER of Kansas asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. MILLER of Kansas addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. POAGE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, as we come to try to sum up the discussion on this bill, it seems to me rather clear that most all of us agree that we are faced with a difficult problem of surpluses. How we got those surpluses is another and a long story, but we all agree that we need to do something with those surpluses; that it is not an economical thing to simply store them in warehouses and pay storage but that we ought to move those surpluses where they will do human beings some good either in this country or other countries.

We should do it in a way that will not destroy the income of our farmers, because if we did that, we would find ourselves in worse shape than ever, because if you destroy the income of the farmer,

his natural inclination is to try to produce more crops which would probably themselves become surpluses.

I want to say right here, that one of the most widespread fallacies which has been spread over this country and which has received wide acceptance in recent months, is the belief that lower farm prices would of themselves eliminate our surplus problem. A lot of people sincerely believe if you will but lower the price of farm products, so low that it means that the farmer's children must go barefoot, you will materially reduce farm production without any governmental controls. There never was a more fallacious argument presented to the American people. If you do not control the production of agricultural commodities, lowering the price will simply result in the production of more and more and more of the things you do not need. If you do not believe that, let me cite you the illustration of cotton. Do you know when we grew the largest cotton crop America has ever known? I will tell you when it was. It was in 1937. We did not have any controls on production, but we had support prices. We have been told recently that if you let support prices drop to 75 percent of parity you would never have surpluses. But we had a support price of 53 percent of parity in 1937 and we grew the biggest crop that we have ever grown.

Do not tell me that lowering the price of the farmer's commodities is going to prevent the production of surpluses unless you use strong governmental controls of production. Do not tell me that if you destroy the farmer's livelihood you will "restore his freedom," as so many euphoniously refer to it. No, you do not restore the farmer's freedom by breaking him. You do not restore the freedom of the farmer by letting his children go hungry. You do not restore the freedom of the farmer by saying that his return for his labor and on his investment shall be far lower than the return to other segments of our economy.

You get the best balance in production of agricultural and industrial products when all of our commodities are bringing full parity, because then each one produces that thing which receives the most ready acceptance in the American market.

If you can keep a complete balance between industry and agriculture, you will have a more prosperous industry, you will have a more prosperous agriculture, and a more prosperous Nation. But if you allow the level of our farm prices to drop to 75 percent of parity, you will have a devastating depression, and you all know it.

Every Member of this House is old enough to recall what happened when we let farm prices break as they did in 1929. Every Member of this House who has read economic history knows there has never been a single time in the economic history of America when farm prices averaged as low as 75 percent of parity when the entire country did not suffer a devastating depression, with all segments of our economy broken.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. MARSHALL. The gentleman is making a very significant statement. We accumulated our supply of potatoes, that we have heard so much about, under a program of 60 percent of parity, did we not?

Mr. POAGE. That is right.

Mr. MARSHALL. We are accumulating an additional supply of dairy products and increasing our dairy production under the Benson proposal of 75 percent of parity right now.

Mr. POAGE. That is right. Potatoes were under a flexible support program when we accumulated the most devastating surplus. Dairy products are and have always been under a flexible support program—the kind of program we are urged to adopt for the basic commodities.

I want to call to the attention of those who talk so much about a flexible, a variable, a sliding scale of supports, that dairy products are today under a sliding scale of supports; that dairy products have been under a flexible program all the time. Potatoes were under a flexible program, a sliding scale. The very commodities that have produced the most disastrous results in our whole price support history have always been under flexible supports. In view of the experience of potatoes and dairy products, how can any intelligent person look you in the face and suggest that we could solve or even mitigate the surplus problem by reducing price supports for the basics to 75 percent of parity?

I ask in all frankness, is it not fair to compare the disastrous results of the flexible program with the rather successful results of the 90-percent fixed parity program? The total losses for 20 years on the six basic commodities have been only a little more than \$50 million. Two million five hundred thousand dollars a year for 20 years has maintained our support program at 90 percent of parity on our basic commodities, and yet you have lost several times that amount of money under your flexible program on dairy products in the last 2 years alone.

I ask you if the history of America indicates that Mr. Benson's program will work. It has been tried. It has not worked. Everybody should know that it will not work any better in the future than it has in the past. Everybody knows that it has caused surpluses at the very time it was allowing the producer to go broke.

Mr. MARSHALL. If the gentleman will yield, I would like to call to his attention, and he knows it, to the fact that one of the most successful programs we have in this country from the producer's standpoint is the sugar program, which is a highly rigid program, and it has been working out well. I would also like to call the attention of the gentleman to the fact that the parity concept in itself is flexible. It is not rigid. It varies.

Mr. POAGE. Of course the parity concept is flexible. I stood in this well some time ago and pointed out that any time the farmer's costs went down the support program under our present 90 percent of parity has gone down. That



is the only kind of flex I want to see in it. It do not want to see the farmer go down when everybody else goes up, yet that is the kind of flexibility the Secretary would give the farmers of America. The farmer asks for a loaf and you give him a stone. He asks for a fish and the Secretary gives him a serpent. That is what is happening to our farmers today, and we know it. We know we are not only destroying our farmers but we are destroying the backbone of all our industry, we are destroying our commerce, we are destroying the very economic life of our country when we allow these farm prices to go down. And what do we get in return? Certainly not the relief from surpluses or from controls that Mr. Benson talks about.

Now we have built up great surpluses of dairy products. They have been built up under the flexible program. Now we want to get rid of them, and we are faced with the question, What can we do? We have before us a bill that will give us some relief. I think this bill is too restrictive. As just pointed out by the gentleman from Mississippi, this bill leaves us as the residual supplier. We can sell only after everybody in the world has sold everything he has to sell. We can sell only after everybody else has gotten the highest price he can for his products. We cannot go into the world market even under this bill and meet the world on competitive terms. I would like to see us get in and do some Yankee trading with the rest of the world. I would like to see us sell these goods. There are plenty of people who want them and would like to pay for them. I would like to see them do it. But this is the best bill we have and, therefore, we had better vote for it.

Mr. HOPE. Mr. Chairman, I yield the remaining time to the gentleman from Montana [Mr. D'EWART].

(Mr. D'EWART asked and was given permission to revise and extend his remarks.)

Mr. D'EWART. Mr. Chairman, I rise in support of this legislation, S. 2475. I introduced a similar bill, H. R. 8278. I think the objective of the bill is all to the good of the country. I represent a great wheat-producing State, 1 of the 3 largest wheat-producing States in the country. Therefore, I am particularly concerned as to the provisions of this bill which have to do with wheat. The granaries of my State are overflowing. The terminal granaries are full. According to the figures given to me, probably on July 1, 1954, we will have approximately a year's supply of wheat stored and on hand. This year the Nation is going to have a very large wheat crop, probably in the neighborhood of a billion bushels. The needs of the country, including export, amount to about 800 million bushels; therefore, the crop will add to the storage which we now have on hand another 200 million bushels. The problem before us is one of abundance. That, I think, is important, and it is a problem that it should recognize. Through the centuries of history of the world we have had periods of great starvation and only a few years of

abundance, and it is only in recent years that we have solved the problem of production of the world's needs, and that only in a few countries, principally here in the United States. Here we have an abundance of foods and fibers over and above what we need here in this country. Therefore, it seems to me the problem is one of distribution. That is what this bill attempts to deal with, to make it possible to make these surplus commodities, which are surplus over and above the amounts that we need in this country, available in those parts of the world and to those peoples of the world, including here at home, who need these commodities. Therefore, it seems to me this is the kind of bill that needs the support and should have the support of every one of us. Here we have an abundance of wheat and cotton and of other products of the farm. In other parts of the world, and even in parts of this country, we have people who need these foods and fibers. Here is a bill looking forward and providing the means by which we can make distribution of those commodities which we have in abundance. We should be thankful that we have this abundance. We can look to the brains and the intelligence, and I believe we have them, in this Congress, to find a way to make this abundance available to those who need it. I am sure this bill will be helpful toward that end.

The CHAIRMAN. The time of the gentleman from Montana has expired. All time has expired. Under the rule, the Clerk will read the substitute amendment as an original bill for the purpose of amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That this act may be cited as the "Agricultural Trade Development and Assistance Act of 1954."

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, and to promote collective strength or further in other ways the foreign policy of the United States.

#### TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(a) take reasonable precautions to safeguard against the displacement of usual marketings of the United States or friendly nations, and assure, insofar as practicable,

that sales under this act will not disrupt world prices of like commodities of similar quality;

(b) take appropriate steps to assure that private trade channels are used both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation to the maximum extent practicable;

(c) give special consideration to utilizing the authority and funds provided by this act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

(d) seek commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this act, without specific approval of the President; and

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this act and to make effective use of the foreign currencies received to carry out the purposes of this act.

SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with directions of the President, (1) shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities. Unless otherwise authorized by the President, Commodity Credit Corporation funds shall not be used to finance the sale and exportation of privately owned surplus agricultural commodities (other than those commodities acquired pursuant to (1) above and commodities pledged or mortgaged for price support loans) if Commodity Credit Corporation is in a position to supply such commodities from its own inventories, except that Commodity Credit Corporation funds may be used to finance the exportation of privately owned stocks of surplus agricultural commodities if such exportations are made under arrangements whereby such exporters acquire similar commodities of comparable value from Commodity Credit Corporation. For the purpose of carrying out any such arrangement, Commodity Credit Corporation shall not be subject to the sales price restrictions of section 407 of the Agricultural Act of 1949, as amended.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.



SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1 billion.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use the foreign currencies which accrue under this title for the purposes set forth in section 2 of this act, including one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase for the United States stockpile materials essential to the national security (as determined by the President) under contracts, including advance payment contracts, for supply extended over periods up to 10 years and assure insofar as practicable that materials so purchased would not displace United States domestic production or usual commercial imports into the United States. Materials so acquired shall not be released for resale except pursuant to the terms of the Strategic and Critical Materials Stockpiling Act, as amended;

(c) To procure military equipment, materials, and services for the common defense;

(d) For the purchase of goods or services for other friendly countries;

(e) For increasing production for domestic needs in friendly countries;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate:

*Provided, However,* That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to not less than 10 percent of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the Government using any of such currencies shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106. As used in this act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is in excess of domestic requirements, adequate

carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

SEC. 107. The President shall make a report to Congress with respect to the activities carried on under this act at least once each 6 months and at such other times as may be appropriate.

SEC. 108. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

#### TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to friendly nations to assist low-income groups through special cooperative programs undertaken with foreign governments, for relief and increased consumption.

SEC. 203. Not more than \$100 million worth of surplus agricultural commodities from Commodity Credit Corporation stocks may be used by the President without regard to the requirements of this title or of the Mutual Defense Assistance Control Act of 1951, when the President deems that such use is important to the foreign policy objectives of the United States.

SEC. 204. Not more than \$300 million (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

SEC. 205. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

#### TITLE III—GENERAL PROVISIONS

SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation may make available to the President any farm commodity owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855). The responsibility of the Corporation in connection with the use of such commodities shall be limited to delivery of the commodities to designated agencies at one or more central locations in each State, except that facilities and funds of the Corporation may be utilized for the processing or packaging of such commodities on a reimbursable basis.

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic defense materials as provided by law; (3) to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in nonprofit school-lunch programs, in the assistance of needy persons, in State or Federal penal and corrective institutions, and in publicly owned hospitals; (4) to donate any such commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that commodities disposed of thereunder will be in addition to and not in substitution for any normal consumption. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

SEC. 303. The second paragraph of the act of June 28, 1937 (50 Stat. 323), as amended, is hereby amended by adding before the period at the end thereof the following words "and for use in such State penal and corrective institutions as the Secretary may approve."

SEC. 304. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for strategic materials entailing less risk of loss through deterioration or substantially less storage charges, he is hereby directed to use every practicable means to assist other Government agencies and private trade channels in arranging and making such barter or exchanges or to utilize the authority conferred on him by section 104 (h) of the Commodity Credit Corporation Charter Act to make such barter or exchanges. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and



other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that the bill be considered as read, and that amendments be in order to any part thereof.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we all understand what this bill is. It is an effort to begin to relieve the United States Government of some very heavy agricultural surpluses. It is really a kind of beginning of the great debate on the question of fixed parities or flexible parities to be incorporated in the coming farm bill.

I think this is going to be a great debate and it is going to consider the balance of the Government's farm price support policies. It has got to consider the balance with the interests of city consumers. It is a great privilege to have a word on this subject in terms of the city consumer, especially in view of the fact that today we are talking about flexible parity as the President's program. I would like to emphasize that fact very clearly. The President's program is the flexible parity program. This represents the program of the administration in an effort to give balance to the farm price situation.

It does not seem to me to be balanced when the United States Government has \$6¾ billion worth of surplus commodities piled up and when we have to look for ways and means of relieving the surplus which is costing \$700,000 a day carrying charges alone. Of course, it seems to me impossible to explain the virtue of the system, except that it must be changed when, at the same time, with a high, fixed parity-price guaranty, the farmer's income has been going down. There is something wrong somewhere when the people in the cities are paying both prices at the high-support levels and taxation for the purpose of making good on the fixed price-support program. Something must be wrong somewhere.

My colleagues say that the losses of the Commodity Credit Corporation have been very small. We got to that a little while ago, when I interrogated the chairman of the committee on this very bill. Sure, he said, we are providing that the Congress appropriate all the money that the Commodity Credit Corporation paid out for these commodities, regardless of what you have to sell them for in terms of the world market prices under this bill. In that way no loss is shown for Commodity Credit Corporation, though there is, in fact, a loss and the taxpayer is making it good.

I assure you that if I could run a business the same way I would show no loss whatever. As a matter of fact, it

is surprising that any loss whatever is conceded.

Then the statement is made that we are still taking losses on the flexible parity-price program like the one on dairy products. That is not a tricky statement, because perhaps in dairy products even 75 percent of parity will continue to roll up surpluses and losses. If there be balance and some accommodation to the interests of city consumers and such compromise brings some losses, then they must be accepted. Let us not forget that Members from farm areas held the Secretary of Agriculture for years, and the whole price structure of the country in dairy products for years up to the 90 percent of parity level. Despite the 1949 Hope-Aiken Act and the vast and mounting surpluses, the high fixed-parity price for dairy products was held up by successive Secretaries of Agriculture at the behest of the dairy-products areas when these products were literally running out of our ears.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. Let me just finish my thought, please.

Mr. AUGUST H. ANDRESEN. But the gentleman is not stating the facts.

Mr. JAVITS. I will yield later, and you can correct me, but let me finish my thought. It seems to me that the program which we are offered by the administration for flexible parity support prices has got to appeal to the people who represent the great proportion of the people of the country, the consumers of farm products, or it will never be passed. If these predictions which we hear made that for some political reason city Congressmen are going to go along with this high support fixed price parity deal, they had better look to what their city consumers are going to say about it, because it is going to be called strongly to their attention. You cannot ride this horse both ways. If the people who represent the farming areas of this country are going to fight to protect them, and they certainly should, there has to be another interest to fight just as hard to protect the city consumer, and we will get a reasonably rough compromise, and I think the flexible parity is the reasonably rough compromise.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman probably does not realize that dairy products have been under the fixed parity all the time. The Secretary could fix the price between 90 and 75 percent of parity at any time.

Mr. JAVITS. But the gentleman knows the Secretaries were holding dairy products support prices firm at 90 percent of parity until April 1 of this year, and that it was a political revolution by this administration and this Secretary of Agriculture that got it changed and gave consumers a break. It was because city consumers did not get on their hind legs and holler through their representatives here that this did not happen sooner. That is what I am doing—protesting—and that is what I hope many others from the cities will do.

Mr. AUGUST H. ANDRESEN. I assume, the way the gentleman is talking, that he would favor reducing the floor under wages?

Mr. JAVITS. No. I think the minimum wage, considering the wage level in our country bears no such relation to the worker as the flexible parity support price bears to the farmer—it will help and affect many more farmers proportionately and I am glad that it should.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mrs. KELLY of New York. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mrs. KELLY of New York:

Page 11, line 2, after section 106 insert a new section reading:

"SEC. 107. As used in this act 'friendly nation' means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

Renumber subsequent section of title I to conform.

The CHAIRMAN. The gentlewoman from New York is recognized.

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield.

Mr. COOLEY. I would just like to say, Mr. Chairman, that I think this language is in conformity with language which was developed when hearings were held on the relief bill last year, H. R. 6021, if I am not mistaken.

I personally see no objection to it because of the development of the very language that is in the amendment under consideration. It seems to me that it makes very certain something that otherwise might be in doubt.

Mr. HOPE. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield.

Mr. HOPE. I, of course, am in sympathy with the purpose of the gentlewoman from New York. I think the term "friendly country" has by reason of its previous use a definite meaning; but I have no objection to attempting to make it more specific. As has been stated by the gentleman from North Carolina, the language which the gentlewoman is adding in this amendment has been suggested on a previous occasion by the State Department, and I see no reason why we should not accept the amendment.

I have not had time to take it up with the members of our committee; I have talked to a few, but as far as I personally am concerned I have no objection to the amendment.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield.

Mr. GROSS. Exactly what does the amendment provide?

Mrs. KELLY of New York. This amendment provides that these commodities shall not be sold to Iron Curtain countries. It is very simple.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield.



Mr. AUGUST H. ANDRESEN. I rather feel that you have a good amendment there, but I would like to ask the gentlewoman how she would treat cases where all these so-called friendly countries that we will help under this legislation have bilateral trade agreements with the countries she is now precluding from getting any of this relief? and I am just wondering how you are going to treat the friendly countries doing business with Russia and these other countries.

Mrs. KELLY of New York. I do not believe those countries will buy or purchase food that they cannot consume; and I do not fear that our friendly nations so described in this act will resell it to the Soviet bloc.

Mr. AUGUST H. ANDRESEN. We hope that this works out that way. I do not know how they are going to police it; nevertheless, that is the intent of the legislation.

Mrs. KELLY of New York. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield further?

Mrs. KELLY of New York. I yield.

Mr. COOLEY. I would just like to say that in a communication dated July 22, 1953, addressed to Chairman CLIFFORD HOPE of the House Committee on Agriculture and signed by the Assistant Secretary of State, you will find this language:

If H. R. 6016 is enacted, the administration would interpret the term "friendly country" for the purposes of that act to mean any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlled by the world Communist movement.

That is exactly the language in the gentlewoman's amendment.

Mrs. KELLY of New York. That is correct; and the reason I would like to incorporate it actually in the act is to prevent anyone from misinterpreting it.

Mr. COOLEY. Then we will not be dependent upon some interpretation by a bureaucrat.

Mrs. KELLY of New York. The interpretation will be in the act itself.

Mr. COOLEY. I hope the amendment will be adopted.

Mr. MORANO. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield.

Mr. MORANO. Would this language exclude Yugoslavia from the opportunity of receiving these commodities?

Mrs. KELLY of New York. Correct.

Mr. Chairman, I am delighted this amendment has been accepted and I am sure it will meet the approval of those who are concerned about the problem.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I believe the gentlewoman from New York has offered a good amendment, but I should like at this time to point out that in 1951 this House passed what is known as the Battle Act which provided for the withholding of foreign aid from any country which shipped strategic materials to Communist countries.

Early this year France, Britain, and 4 or 5 other foreign countries blandly admitted they had sold strategic materials behind the Iron Curtain to Russia and her satellites, yet when confronted with applying the penalty provisions of the Battle Act, depriving those so-called allies of economic aid, the President of the United States said it was not in the best interests of this country to do so. With all good intentions this Congress passed the Battle Act. I voted for it, as did a majority of the House, yet we have the President of the United States refusing to enforce the penalties provided by Congress against trade with the Communists.

I hope the pending amendment will be adopted and I hope it will be accorded a better fate than the Battle Act.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Mrs. KELLY]. The amendment was agreed to.

Mr. DIES. Mr. Chairman, I offer an amendment and I ask unanimous consent to speak for an additional 5 minutes.

The Clerk read as follows:

Amendment offered by Mr. DIES:

Page 6, line 3, after the word "seek" insert "and secure."

Page 6, line 13, after "act" insert "Provided, however, That no agricultural commodities shall be sold to any nation which exports or sells agricultural commodities to any Communist nation."

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. DIES] to proceed for 5 additional minutes?

There was no objection.

Mr. DIES. Mr. Chairman, I am in sympathy with the effort to lessen our agricultural surplus to a reasonable extent; however, I do not share the apprehension expressed by so many Members with reference to our surplus products. It is my opinion that the time is not far distant when the surpluses which we have accumulated in industry and in agriculture may mean a great deal to the survival of the United States. We are living in the most perilous period in the history of the world. We refuse to recognize the realities of the problems which confront us. The desire everywhere is to trade, to live a peaceful existence. We hug the delusion that something will happen to prove an exception in the history of the world.

The history of the world has shown without a single exception that where a nation builds up a mighty military armament dedicated to the proposition of world conquest, the free nations can survive only when they unite behind a firm, honest, and consistent policy. Failure to do so leads ultimately to war. And war is something that no one wants to contemplate; yet if we are realistic we must recognize that the Soviet Union has been gaining day by day and month by month, and that we are on the retreat. Communism is now ready to absorb Asia, and confronting communism is a vacillating coalition which cannot make up its collective mind whether it is prepared to pay the awful price of stopping communism. Once Russia is convinced we are ready to pay that price Communist ag-

gression will halt and war will be averted. England wants to trade with the Soviet Union. India has just concluded a pact to trade with Soviet China. There is increasing public opinion in the United States to trade. We give lip service to the proposition that we want to stop communism, and we continue to appropriate billions of dollars on a program designed to stop communism when, as a matter of fact, there is one way and one way alone that we can halt the onward march of the Soviet military juggernaut. That way is a united and firm front of the free world and a denial to the Communist bloc of the one thing they need above every other thing, which is non-strategic material. The budget of the Soviet Union discloses that a disproportionate percent of their productive energy has been diverted to the creation of military armaments. Their need is for food, for clothing; desperately they need these basic essentials in Russia and in all the satellite countries, the very things which we propose to give them.

Now, I recognize that the gentlewoman has offered an amendment that will help, but it will not do the job. Here you have a provision which says that you can give to friendly but needy populations without regard to the friendliness of their government. Now, what does that mean? Will anyone explain it to me? It means that you can give to the people of every satellite country, and of Russia, regardless of the amendment offered by the gentlewoman from New York. You have a provision which says the President shall seek commitments against reshipment to Iron Curtain countries but the language is not mandatory.

Mr. COOLEY. I do not think it means that. What title is the gentleman reading from?

Mr. DIES. I am reading from title II.

Mr. COOLEY. Title I refers to foreign currency and title II is the giveaway program.

Mr. DIES. Well, it is all a giveaway program, is it not?

Mr. COOLEY. That is right.

Mr. DIES. Let us not kid ourselves.

Mr. COOLEY. That is right.

Mr. DIES. Let us not kid ourselves. Here is the situation, and let us be frank with the American people. I know no one wants to pay the price of stopping communism. I know England does not want to do it, and I know the United States does not want to do it. The plain truth is that we are not willing to put principles above dollars to stop the Communist conquest. If noncommunist countries were willing to do that, we could stop the shipment of all materials to the Soviet bloc and impose an embargo. That would deal Soviet Russia the death blow. But, because of vacillation, because of indecision, because we want to give lip service to one thing and actually practice another thing, the Soviet Union is laughing at us. Do you think or does anyone think that the Soviet Union believes that we and our allies mean what we say? If you were in the Kremlin, would you stop the invasion of Asia when you know that France and England and the United States and all the rest of us are not prepared to take the measures, the awful,



tragic measures, which are essential to defeat of the Communist ambition?

So, mark my word. The Soviet Union has in the course of 25 years made the most remarkable progress of any military dictatorship in all of history. In my lifetime and your lifetime we have seen Russia emerge from a third-rate power to the status of a world menace, and step by step and inch by inch she is moving toward world conquest. All I propose to do, and I know you will not adopt it, because to adopt it would be to be consistent, and no one is going to be consistent in our foreign policy, is to practice what we preach. Let us show by our deeds that we mean what we say. Let me submit this to you. Do you think that it is honest to ship agricultural surplus products to a country which, in turn, is exporting, selling agricultural surplus products to the Soviet Union? You can put any sort of language in here but as long as you ship to England or India or any other country agricultural products and enable them, in turn, to ship their agricultural surplus to the Soviet bloc, then you are strengthening the Soviet Union in the one weakness which exists throughout its empire; that is a lack of food and clothes and the necessities of life. That is what they desperately want, not guns, not airplanes, because they have devoted their energies, their productivity, to guns and to planes and to armament.

Mr. Chairman, we are concerned here about agricultural surpluses, but we are entering a gigantic struggle for survival with the strongest military power the world has ever seen. They have outsmarted and outgeneraled us from the very beginning. It was our stupidity, our lack of leadership, and our money that enabled the Soviet Union to rise to the position of menace which she now occupies. It was because of our vacillation, because we coddled them and protected them, and recognized them at a time when they could not have secured recognition without our stupid policy, that we and our allies have helped to build Soviet Russia. Every move we make is in the direction of further strengthening this military power.

Some day you have got to make up your mind. We have got to stop kidding the American people. You cannot stay free unless you are willing to pay a price for freedom, a price in sacrifices, a price in dollars, a price, if need be, in blood itself if we fail now to adopt and pursue a firm and united policy.

Until the Soviet Union believes that the free world means what it says, it will continue to move forward from one field of conquest to another until within another 5 years all of Asia and a large part of Europe will be under the hammer and sickle. And then we will return to involuntary isolation.

Mr. BURLERSON. Mr. Chairman, will the gentleman yield?

Mr. DIES. I yield.

Mr. BURLERSON. I am sorry to interrupt the beautiful speech of my esteemed colleague, but I should like to get back to the subject of this bill, the disposition of surplus agricultural commodities. The gentleman has taken two premises. The first is that this is a give-

away program. Then the gentleman says that we must make sacrifices and expenditures. If I consider that this is a giveaway program, I am not going to vote for the bill.

The other premise of the gentleman is that all of our allies and all of our friends are trading with the Soviet bloc. If I believed that, that they were trading to such an extent that we are strengthening them or going to strengthen them, then I shall not vote for the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DIES. Mr. Chairman, I ask unanimous consent to proceed for an additional 3 minutes to answer the question of my colleague the gentleman from Texas [Mr. BURLERSON].

Mr. HOPE. Mr. Chairman, reserving the right to object, we are trying to finish with the bill this evening. I do not like to object, but the gentleman already has had 5 additional minutes.

Mr. DIES. I withdraw my request, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, I offered two amendments and ask the Chair to distinguish between them and have the first one read.

The CHAIRMAN. Does the gentleman want the amendments considered separately or en bloc?

Mr. DIES. Separately, Mr. Chairman, because they apply to different sections of the bill.

The CHAIRMAN. The Clerk will report the first amendment offered by the gentleman from Texas [Mr. DIES].

The Clerk read as follows:

Amendment offered by Mr. DIES: On page 6, line 3, after the word "seek" insert "and secure."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and the Chair announced that the ayes seemed to have it.

Mr. HOPE. Mr. Chairman, I demand a division.

Mr. DIES. Mr. Chairman, this simply clarifies the language which says that the President shall seek commitments. I assume the Committee means him to get the commitments, so I include the words "and secure."

Mr. HOPE. I understand what the gentleman's amendment is. I ask for a division.

The question was taken; and there were—ayes 59, noes 26.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the second amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. DIES: On page 6, line 13, after "act" insert "Provided, however, That no agricultural commodity shall be sold to any nation which exports or sells agricultural commodities to any Communist nation."

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I doubt the wisdom of adopting this amendment. We are in a

situation where we cannot impose our will on all the peoples of the world. I have made as many speeches as the gentleman from Texas opposing doing anything that will build up our enemies. I have said, if they are not our enemies, why in the world are we drafting our own boys to fight them? If they are our enemies, then why should we do anything that would strengthen them? That is the basic argument, and it is sound.

But it is not all of the story. The fact is that our foreign policy consists of two difficult and in some respects incompatible jobs: we must hold together, if we can, the alliance of powers around the North Atlantic, and at the same time try to prevent the piecemeal loss of Asia to the Communists.

On the one hand we could say, as some of our Western European allies do, "Let Asia go." Apparently they think we will then have more to give to them. We cannot follow that course. We have a Pacific as well as an Atlantic front.

On the other hand, we could say, "If some countries will not go along with us in shutting off all exports to Communist countries, we won't give them any further aid or even sell any of our surpluses to them. We will concentrate our efforts only on the people who will stand with us completely."

But neither of those courses is good enough. We need all the help we can get. We have to prevent further Communist gains anywhere, if we can, without destroying such unity as we have with the countries of free Europe. If it looks as if we are carrying water on both shoulders, we are, part of the time. It does not serve the interests of the United States to say, "Unless you do exactly what we here dictate that you do, we will cut you off." For we would be cutting our own throat in the process.

Looked at in the large, we have to have the opposite shores of the Atlantic and Pacific in the hands of countries friendly to the United States if we ourselves are to be secure. We must not do anything to weaken our relations with the free countries holding those shores.

Everybody here is in complete sympathy with the objective the gentleman from Texas is trying to accomplish. I certainly am, as much so as anybody in this body, as I think you will agree. I made a speech here on May 28 urging that neither we nor our allies fall into the trap of expanding trade with the Soviet bloc. But there are practical situations where we have to try to keep those who have the greatest military and other kinds of strength as closely allied with us as possible in some kind of a coalition, even though they do not yet go along with us in some things like this trade matter.

We have this great disadvantage as compared with the Kremlin. It can impose its will on all people on its side. The economies of the 800 million under it are unified by force. Ours is not that kind of system. Ours has to be a voluntary association. We cannot impose our will. If we did, our side would be like the Kremlin's. This is a disadvantage; but it is the price we pay for our own freedom and for the freedom of our allies.



Our Government is doing all it can, we are assured, to reduce the amount of trade that is going from some of our allies to the Kremlin, and to keep it in those commodities which are least essential to their armament and military strength. It seems to me just not wise or in the interest of our own security for us to adopt this amendment which would say, "You must jump through the hoop when we say so, or else we will not do anything further to help you keep on this side of the curtain."

I fear the effect of the amendment, if it became law, might be to cause whole groups of people who want to be on our side and still are on our side in this gigantic struggle, to tend toward the other extreme, in resentment, frustration or economic difficulty. I do not believe they can be driven.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. COOLEY. Would it not be almost impossible to administer the provisions of the amendment offered by the gentleman from Texas?

Mr. JUDD. Of course, that is the case.

Mr. COOLEY. It seems to me the language in the bill to which the amendment offered by the gentleman from Texas would apply would be sufficient, "that the administration should seek and undertake to get commitments from participating countries that would prevent the resale or transshipment to other countries or for use for other than domestic purposes."

It seems to me if we go far enough to adopt the pending amendment we might just as well tear up the bill and go back to our offices because we are not going to be able to do business with anybody anywhere.

Mr. JUDD. That is true and we will have greater and greater surpluses all over the United States because it would make it impossible to carry on trade. To seek voluntary commitments by those countries and to threaten these countries, I submit are two different things.

Mr. COOLEY. And we will be constantly held up before the Soviet world as a greedy nation with our storehouses bulging with these vital foods and fibers, and that we are so selfish that we will not even come to the rescue of starving people.

Mr. JUDD. Our situation is like that which a doctor faces frequently. He decides on a course he does not like; the operation may be cruel and bloody and mutilating and dangerous. Why, then, does he do it? Because the alternative is worse.

This is a case where we have to go along with certain thing that we do not like. They are far from ideal. We would rather have nothing to do with such trade. But we have to for the present, because of the total power situation in the world which would make the alternative proposed by the gentleman still worse. It would injure our side more than it would the Kremlin's. I hope the gentleman's amendment will be defeated.

Mr. HOPE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, this legislation, of course, has but one fundamental purpose, and that is to build up the strength of the United States and to build up the strength of the free world through the methods provided for in this legislation as stated in the declaration of principles. It seems to me if we adopt any amendment as sweeping as that proposed by the gentleman from Texas, we will do exactly as the gentleman from North Carolina just stated, and that is to prevent this measure from operating in anyway whatever. For instance, if I understand the gentleman's amendment correctly, and if I do not I would like to have him advise me, we could not ship wheat to a country that may ship jute or cotton or some entirely different commodity to Russia. As I understand the gentleman's amendment, it is so sweeping that if any country in the world with whom we might carry on trade under this proposal should ship a very small amount of any agricultural commodity, even some entirely obscure commodity to Russia or any other Communist country, then that would prohibit us from having any dealings whatever with that country under this bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COOLEY. I would like to propound a question to the gentleman from Texas [Mr. DIES]. Can the gentleman tell us the name of a single country with which we could trade if his amendment is adopted?

Mr. DIES. Yes, I think we could trade with the majority of countries. All this amendment provides is that if a country is exporting agricultural surpluses to the Soviet Union or to a Communist nation, we shall not give to such a country our agricultural surpluses.

Mr. COOLEY. I understand what the amendment offered by the gentleman from Texas would do, but what I want is the name of a single nation that is not now so engaged in such trade and commerce.

Mr. DIES. Practically all the countries except a few that have been announced are going to do business with the Communist bloc. What right have we to give them our agricultural surpluses, if they are in a position to sell agricultural commodities to the Soviet Union?

Mr. COOLEY. Well, that is not contemplated by this at all.

Mr. DIES. What is contemplated by it?

Mr. COOLEY. Just what the language of the bill says. I ask the gentleman can he name a single country on earth that we can do business with under the restrictions of your amendment?

Mr. DIES. Yes. It is my understanding that a majority of the countries with whom we are allied are not shipping agricultural surplus products to the Soviet Union.

Mr. COOLEY. But they may be shipping something even more vital.

Mr. DIES. This does not apply to any exportable surplus except agricultural

products. It is ridiculous to think about us, under the guise of this bill, shipping agricultural surplus products to a country which in turn is shipping agricultural surplus products to the Soviet Union.

Mr. COOLEY. I do not anticipate that that will happen under this bill.

Mr. JUDD. Denmark does not need more butter, but it does need wheat. It must have wheat. They may sell their surplus butter to some of the Soviet-dominated countries for the same reason that we want to sell our surplus wheat to them.

Mr. DIES. I do not know who has the time, but if a country needs to secure agricultural surplus products from us, then what right has that country to be shipping agricultural surplus products to the Soviet Union?

Mr. JUDD. It is not the same agricultural product. It cannot live 24 hours a day on its butter.

Mr. DIES. Well, I do not want to help them with a giveaway program such as this.

Mr. COOLEY. What you are talking about is section 1, which is not the giveaway section. This is sale for foreign currency.

Mr. DIES. But the effect is we get the foreign currency and then we buy things. But they are getting everything under this bill.

Mr. COOLEY. Oh, no.

Mr. DIES. What do we get?

Mr. COOLEY. We are getting foreign currency to use.

Mr. DIES. But what will they do with that foreign currency?

Mr. COOLEY. We can do numerous things.

Mr. DIES. We could, but does not the gentleman think that the primary purpose for which the currency will be used is to extend economic aid to those countries?

Mr. COOLEY. Here is what we can do with it. I can enumerate them, if the gentleman likes.

Mr. DIES. Does not the gentleman believe that most of the foreign currency which we accept under this bill will be used to extend economic aid to those countries?

Mr. COOLEY. No, not to the particular countries.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, it would seem to one who does not know too much about this bill or the situation which made its reporting out by the committee desirable, that those who have become alarmed because of the results of the policies which they have advocated and over the years insisted the Nation adopt and follow as the exporting of the surplus of cotton and tobacco and things like that on my right, and wheat and corn on our side, have lost sight of just what we are trying to do.



Presumably we are trying to get out from under the surpluses we have created.

I have heard on the floor—and that is all I know, what I hear here and what I read once in a while—that we are in danger because of certain activities on the part of Russia and her allies. Of course, we are in no danger unless Russia and her controlled nations are armed or can arm themselves. I gather that Russia and the other countries dominated by her cannot carry on their military program and still feed their people. The people are in danger of starving. So, having grown tired of shipping munitions of war to Russia, as we did not so long ago when she was supposed to be friendly, instead of sending over weapons that they might use to fight us, and have given to others to fight—the men we conscript, we fix it so that they will have more money and more power to make themselves while we feed and clothe their people. But to one who has not been educated along the lines of practical foreign policy, that does not make sense. I read a long time ago that an army fought on its belly, meaning, I suppose, that the soldiers have to eat. So when Russia and her allies cannot feed themselves but through their military power threaten and would fight us, to enable them to do that more effectively we feed them. To the experts on foreign policy that may make sense—to me it does not. It is difficult enough to love your enemy—to feed him while he prepares or makes war is something that seems foolish and suicidal.

I yield back the balance of my time.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. DORN of South Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the first time I have taken the floor this year. I feel that the amendment offered by the gentleman from Texas certainly warrants the serious consideration of every single Member of this House. The gentleman from Texas [Mr. Dies] is as familiar with the dangers of the Communist menace as any man in America. He is only trying to prevent our products from strengthening the Communist world.

I am a farmer. I do not recall having earned a nickel in any other way except from the few public offices I have held other than on the farm, out of the soil of the Third District of South Carolina.

I am not willing to sit silently here today and see this House pass such a bill as this. I would rather take the loss on my farm if there is going to be a loss—and there certainly has been the last few years—rather than strengthen the Soviet Union, the enemies of the free world.

Mr. Chairman, I remember talking with Gen. Douglas MacArthur in Tokyo before he was removed from command—and I think that was one of the worst

mistakes made in our modern international relationships. He said then that the foreign policy of this country was being set at No. 10 Downing Street, London, England, and had been for many years.

Sure, we want allies; we want England, but was it not England back in the Napoleonic days when Napoleon overran the whole continent of Europe, that put a blockade on Europe and cut off trade entirely from Napoleon, which led to his downfall? Sure it was. All right; but in modern times England has appeased the enemy time and time again. Remember, it was England who, back in the 1930's, was loaning the Nazis and the Fascists in Italy money with which to build up their military machines, and who was trading with them, and also with Japan. If we are going to defeat communism, let us draw the line and declare it the duty of every citizen of America, and the free nations, to cease all trade with the Communist countries even if it means losing a few dollars or not maintaining our standard of living up to what we would like it to be. If it means a little less material gain for ourselves, to accept it and keep our freedom. Let us not pass this problem on to generations unborn; let us not pass it on to our children; let us solve this problem today. Let us draw the line, and not send to the Soviet Union, or to Poland, or to Czechoslovakia, or to any of those satellite countries, the food and the fibers so necessary for the military conquest of the world.

Yes, I see the Committee on Agriculture here today. I have the highest respect for the gentlemen, but I suspicion in the writing of this bill the mysterious hand of the State Department—not the farmers of America. A State Department dominated by some of those countries who want to trade, so desperately want to trade with the Soviet Union. When World War III breaks out our vacillating allies will come back to this House again as they did in 1939 and 1940 trying to get our aid, our help, in getting them out of a problem which they solely for financial gain got themselves into.

Yes, I see in this bill some of the handiwork of the State Department camouflaging its fallacious foreign policy in an appeal to the farmers of our country. Our farmers would rather have a surplus than send their sons against the Red Army fattened with our agriculture.

I am opposed to sending the products of my farm to any country that sends its agricultural products to strengthen the ruthless war machine of the Soviet and satellite countries.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DORN of South Carolina. I yield.

Mr. COOLEY. Was the gentleman here when the Kelly amendment was adopted?

Mr. DORN of South Carolina. Yes, I was.

Mr. COOLEY. Is the gentleman aware that the amendment defines "friendly nations" as meaning any country other than the U. S. S. R. or any nation or area dominated or controlled by the foreign government or foreign

organization controlling the world Communist movement?

Is not that broad enough to take care of the gentleman's situation?

Mr. DORN of South Carolina. I would like to say this to my distinguished friend from North Carolina: These so-called friendly countries are the very ones who will be the recipients of this giveaway bill but who will continue to be free to send their products to the Russian countries. This is an indirect way to build up our enemies. The farmers of America value freedom far more than a few dollars profit gained at the price of future American blood. I will say to the gentleman that I was in favor of the Kelly amendment. I was on the floor when it was offered and I voted for it. But the amendment offered by the gentleman from Texas is plainer and is more forthright and I think it can do the job better.

Mr. COOLEY. Let me ask the gentleman: Can he give us the name of a single nation that we could do business with under the pending amendment?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Dies].

The question was taken; and on a division (demanded by Mr. Dies) there were—ayes 37, noes 74.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. Bishop].

Mr. BISHOP. Mr. Chairman, I desire to make an announcement. The congressional baseball game sponsored by the Evening Star has been called off until tomorrow night. I hope you will all be there at that time.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Page 9, lines 22 and 23, strike out subsection (e) and insert in lieu thereof the following:

"(e) For promoting balanced economic development and trade among nations."

Mr. JUDD. Mr. Chairman, this is 1 of 7 or 8 amendments I spoke of earlier in general debate. The purpose of this particular amendment is to make more clear what the objective of this subsection of the bill is. As it reads now the program could be and sometimes has been operated to try to make countries that are now our customers completely self-sufficient so that they will not need to buy anything from us any more. That is not the objective of the bill.

The language would be changed to read: "For promoting balanced economic development and trade among nations."

That is, we want to use our surpluses to increase their production of commodities that we and others might need and not the things that we already have in surplus to sell to them.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Kansas.

Mr. HOPE. May I say to the gentleman that I have examined his amendment. I have discussed it with some members of the Committee on Agriculture. Personally, I believe the gentle-



man's amendment improves the bill. I may say the same thing also as to the other amendments which I understand the gentleman is going to offer. I think they are all changes in language which will improve the bill and I shall not interpose any objection to them.

Mr. JUDD. That is correct. This amendment is designed to improve the bill so that it will use the foreign currencies to strengthen and increase the capacity of recipient countries to buy. That is the object of the amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. HALLECK. As I understand it, these amendments have been discussed with members of the Committee on Agriculture and the members of that committee are in agreement so far as the amendments are concerned?

Mr. JUDD. Yes.

Mr. HALLECK. Has the gentleman made an explanation of them in general debate?

Mr. JUDD. I did not discuss all of them in detail. These were worked out, as I did explain in general debate, in the Foreign Affairs Committee where the original legislation, of which this bill is a development, was formulated last year. If these amendments are accepted here it probably will not be necessary to have a jurisdictional struggle between the committee. The members of the Committee on Agriculture with whom I have spoken feel that these are improvements and in no case weaken the bill. There were two more which I should have liked to introduce but the Committee on Agriculture did not approve and so the gentleman from Texas [Mr. BURLESON] and I do not intend to offer them here.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield further, may I make this suggestion to the gentleman and to the members of the Committee? There is some debate among us as to whether or not this measure might be concluded tonight. If it is to go on for any further length of time, of course, we need to go over until tomorrow, in which event I would probably feel it advisable to come in at 11 o'clock. I might make this suggestion to the gentleman, if he sought unanimous consent to offer his amendments en bloc, we possibly could dispose of them that way, and then I do not know how much time would be consumed on other amendments because I do not know how many there are at the desk. Of course, if it was to run for a considerable period of time, as I say, I think the Committee should rise.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I wonder if we could inquire whether there are other amendments.

Mr. BURLESON. Mr. Chairman, I have two other amendments on this page of one word each. They are very simple, and I would not think there would be any debate on them. As a matter of fact, the gentleman from North Carolina and the gentleman from Kansas have seen them, and I understand they are agreed to.

Mr. HALLECK. I wonder how many amendments there are at the desk other

than those of the gentleman from Texas [Mr. BURLESON], and the gentleman from Minnesota [Mr. JUDD].

The CHAIRMAN. The Chair has seen the amendments on the Clerk's desk. There are 11 amendments, including the 2 that were mentioned by the gentleman from Texas [Mr. BURLESON]. There are 6 additional amendments beyond the one that the gentleman from Minnesota already has introduced, so there are 9, including the 7 to be offered by the gentleman from Minnesota, and 2 by the gentleman from Texas [Mr. BURLESON], and 2 in addition.

Mr. HALLECK. Who are the authors of the other amendments at the desk?

Mr. BAILEY. I have two amendments pending.

The CHAIRMAN. There is an amendment by the gentleman from West Virginia [Mr. BAILEY], in fact 2, perhaps, and 2 by the gentleman from Pennsylvania [Mr. FULTON].

Mr. HALLECK. I wonder if the authors of those amendments could suggest to us whether or not they are controversial or whether they have been cleared with the committee.

Mr. BAILEY. I have attempted to clear one with the committee, but did not entirely succeed. It certainly would not take any time to dispose of them. It is just a question of the Committee saying yes or no.

Mr. HALLECK. I think it is quite apparent, Mr. Chairman, that we cannot conclude tonight. If we dispose of the Judd and Burleson amendment this evening, I think then probably the Committee should rise.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The amendment was agreed to.

The CHAIRMAN. Does the gentleman wish to offer the remaining amendments en bloc?

Mr. JUDD. If it is agreeable, I should like to offer the remaining amendments en bloc. There are four of them. The gentleman from Texas [Mr. BURLESON] has two. That would be six altogether.

Mr. Chairman, I ask unanimous consent that these six amendment may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. GROSS. Mr. Chairman, reserving the right to object, I assume that each of these amendments will be explained and there will be an opportunity to ask questions about them. Is that correct?

Mr. JUDD. Under the procedure suggested by the majority leader, it was not intended to discuss them at length, because I do not believe there is controversy about any of them.

Mr. GROSS. That may be your judgment about the matter.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the amendments would be recorded so that one could determine what they are, and then if questions were asked about them, why,

the questions could be addressed to the authors of the amendments and a discussion had in respect to each one of them if that were deemed desirable by the Member.

Mr. GROSS. I withdraw my reservation of objection, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I would like to say that we are about to consider all these amendments en bloc—these amendments have been submitted to the chairman of the committee—and then these amendments will be out of the way momentarily. Then we only have two other amendments. It seems to me if it is possible for us to stay here to conclude this bill tonight, it would be well for us to do so, because our committee is meeting tomorrow morning working on the farm bill, and if we come in at 11 o'clock, it will disrupt our morning session and probably go into the afternoon session.

Mr. HALLECK. I might say to the gentleman that I hoped very much that his committee would get that bill out on which they are working within a reasonable time.

Mr. COOLEY. We are making progress but I think we might stay here another 15 minutes and finish this bill.

The CHAIRMAN. Will the gentleman from North Carolina [Mr. COOLEY] permit the Chair to add to what he said a few moments ago that we seem to have a number of additional amendments that have been submitted for consideration by the committee. We now have, I think, about 10 or 11 above those offered by the gentleman from Minnesota [Mr. JUDD] and the gentleman from Texas [Mr. BURLESON].

Does the gentleman from Minnesota [Mr. JUDD] request that the amendments he is offering with those offered by the gentleman from Texas [Mr. BURLESON] be considered en bloc?

Mr. JUDD. Mr. Chairman, I ask unanimous consent that the 4 amendments offered by myself and the 2 offered by the gentleman from Texas [Mr. BURLESON] be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. BAILEY. Mr. Chairman, reserving the right to object, will we have the amendments read?

Mr. JUDD. Certainly.

The Clerk read as follows:

Amendment offered by Mr. BURLESON: On page 9, line 18, after the word "materials", insert a comma and the word "facilities."

Amendment offered by Mr. BURLESON: On page 9, line 20, after the word "For", insert the word "financing."

The CHAIRMAN. Will the gentleman from Minnesota clarify the amendment which was just read; which "for" is intended?

Mr. JUDD. The first "For." So it will read, "For financing the purchase of goods or services for other friendly countries."

The CHAIRMAN. The Clerk will again report the amendment offered by the gentleman from Texas [Mr. BURLESON].

The Clerk read as follows:



Amendment offered by Mr. BURLESON: On page 9, line 20, after the first "For" on line 20, insert the word "financing."

Amendment offered by Mr. JUDD: On page 5, lines 12 and 13, strike out the words "against the displacement of."

Amendment offered by Mr. JUDD: On page 9, line 2, after the word "use", insert the following: "or entered into agreements with friendly nations or organizations of nations to use."

Amendment offered by Mr. JUDD: On page 10, line 5, after the word "appropriate", insert a period and the following: "Goods, services, or foreign currencies may be accepted in payment of such loans."

Amendment offered by Mr. JUDD: On page 12, line 2, after the word "stocks", strike out the remainder of the section and insert the following: "to assist programs undertaken with friendly governments or through voluntary relief agencies including school-lunch programs."

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. JUDD]?

Mr. BAILEY. Mr. Chairman, reserving the right to object, I would like to inquire of the gentleman from Minnesota with reference to the amendment he proposes, that we may accept goods in lieu of the currencies of other countries, is it proposed to bring a flood of those goods in under the reciprocal trade agreements?

Mr. JUDD. No; this is the loan provision. The bill gives seven purposes for which the foreign currencies which we receive in exchange for surplus commodities can be used. One of them is for loans to promote multilateral trade and economic development made through established banking facilities of the friendly nation from which the foreign currency is obtained, or in any other manner which the President may deem appropriate. Then the amendment adds that in making these loans we may accept goods, services, or foreign currencies in payment of those loans. If they can repay us in goods or services for those loans, that is better than their not repaying us. As a matter of fact, there are few things that they have which they could export to us that they are not already exporting, with which to pay for commodities now being bought from us in existing trade.

Mr. BAILEY. The gentleman will agree with me that they might be exported in greater quantity.

Mr. JUDD. They would have to come in under the tariff laws and other existing laws of the United States. This does not set aside any of our other laws by which goods are imported.

Mr. BAILEY. There are no quota limitations on the amount they can bring in?

Mr. JUDD. No.

Mr. BAILEY. That is the point exactly. You are just prepared to flood the American market with a lot of extra products we are already importing into this country. That is the question I am raising there, just what it is going to do to our domestic industry and our domestic producers.

Mr. JUDD. I do not say that. I think these countries are not going to buy these surpluses and give up their

foreign currencies for them unless they want the commodities. The foreign currencies we receive can be used for loans as well as for other purposes. Where they are for loans, it seems to me, we would rather have goods, services, and foreign currencies, than nothing in return.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. JONES of Missouri. I object to the inclusion of that last amendment in those amendments to be considered en bloc.

The CHAIRMAN. Does the gentleman from Minnesota request the withdrawal of that amendment?

Mr. JUDD. Under the circumstances, Mr. Chairman, I ask unanimous consent to withdraw that amendment from the total of six.

Mr. BAILEY. Reserving the right to object, would the gentleman concede the point of striking the word "goods" out of this amendment?

Mr. JUDD. I would rather take that amendment up separately and dispose of all of these other five.

Mr. BAILEY. I am perfectly agreeable to that.

Mr. JUDD. That is what my request was.

The CHAIRMAN. Is there objection to the modified request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. That means, Mr. Chairman, that the five amendments have now been adopted?

The CHAIRMAN. Consent has been given to the five amendments being considered en bloc, and they are now up for consideration.

The question is on the five amendments offered by the gentleman from Minnesota [Mr. JUDD] and the gentleman from Texas [Mr. BURLESON].

The amendments were agreed to.

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, had come to no resolution thereon.

#### INDEPENDENT OFFICES APPROPRIATIONS BILL

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill H. R. 8583, the independent offices appropriations bill, have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The conference report and statement follow:

#### CONFERENCE REPORT (H. REPT. NO. 8583)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies and offices, for the fiscal year ending June 30, 1955, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 14, 15, 30, 33, 40, and 54.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 25, 26, 27, 29, 37, 39, 50, 51, 52, 57, 58, and 59, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,161,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,098,962,300"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$110,882,400"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "and not to exceed \$144,250 for expenses of travel,"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,045,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$95,960,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$500,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,066,800"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,868,500"; and the Senate agree to the same.



Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$51,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,250,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,750,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,350,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$170,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the number proposed by said amendment insert "one hundred and fifty"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$120,000,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "\$1,000,000, of which \$400,000 shall be derived from this appropriation and \$600,000 shall be"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,800,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$167,672,300"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the number proposed by said amendment insert "twenty"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the number proposed by said amendment insert "sixty"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$82,134,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "any servicer approved by the Federal National Mortgage Association"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$5,150,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "Provided further, That expenditures for non-administrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed \$25,000,000."; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 8, 11, 12, 21, 22, 24, 35, 38 and 49.

JOHN PHILLIPS,  
NORRIS COTTON,  
CHARLES R. JONAS,  
JOHN TABER,  
ALBERT THOMAS,  
GEORGE ANDREWS,  
SIDNEY R. YATES,  
CLARENCE CANNON,

#### *Managers on the Part of the House.*

LEVERETT SALTONSTALL,  
STYLES BRIDGES,  
HOMER FERGUSON,  
GUY CORDON,  
BOURKE E. HICKENLOOPER,  
BURNET R. MAYBANK,  
LISTER HILL,  
ALLEN J. ELLENDER,

#### *Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

#### EXECUTIVE OFFICE OF THE PRESIDENT

##### *Council of Economic Advisers*

Amendment No. 1—Salaries and expenses: Appropriates \$285,000 as proposed by the Senate instead of \$250,000 as proposed by the House. In connection with this item the committee of conference has included \$35,000 for coordinating public works advance planning. It is agreed that such amount is a temporary increase for a special purpose and not a permanent increase in activity, and is to be kept separate from other funds.

##### *National Security Council*

Amendment No. 2—Salaries and expenses: Appropriates \$215,000 as proposed by the Senate instead of \$200,000 as proposed by the House.

##### *Office of Defense Mobilization*

Amendments Nos. 3 and 4—Salaries and expenses: Appropriate \$2,161,000 instead of \$2,134,000 as proposed by the House and \$2,486,000 as proposed by the Senate, and authorize \$161,000 for the Interdepartmental Radio Advisory Committee as proposed by

the Senate instead of \$134,000 as proposed by the House.

##### *Expenses of management improvement*

Amendment No. 5: Appropriates \$300,000 as proposed by the Senate instead of \$250,000 as proposed by the House.

#### INDEPENDENT OFFICES

##### *Advisory Committee on Weather Control*

Amendment No. 6—Salaries and expenses: Inserts language as proposed by the Senate and appropriates \$120,000 for necessary expenses of the Committee.

##### *American Battle Monuments Commission*

Amendment No. 7—Construction of memorials and cemeteries: Reported in disagreement.

##### *Atomic Energy Commission*

Amendment No. 8—Rental of space in the District of Columbia: Reported in disagreement. In connection with this amendment the managers on the part of the House will propose language to authorize rental of space in or near the District of Columbia only if there is no suitable Government owned buildings available. In the event there is a difference of opinion between the General Services Administration and the Atomic Energy Commission as to the suitability of space the appropriate officials concerned should so advise the Committees on Appropriations of the House and Senate prior to July 15 and obtain the approval of the respective committees before entering into commitments for rental space.

Amendment No. 9—Operating expenses: Appropriates \$1,093,962,300 instead of \$1,093,462,300 as proposed by the House and \$1,102,780,300 as proposed by the Senate. The increase over the House amount includes restoration of \$1,800,000 for physical research instead of \$3,100,000 as proposed by the Senate, \$435,000 for biology and medicine as proposed by the Senate, and \$3,265,000 for increase in stores inventories instead of \$5,783,000 as proposed by the Senate.

Amendment No. 10—Plant and equipment: Appropriates \$110,882,400 instead of \$96,498,400 as proposed by the House and \$130,000,000 as proposed by the Senate. The increase over the House amount includes restoration of \$5,150,000 for new processing plants instead of \$12,000,000 as proposed by the Senate, \$384,000 for housing at Los Alamos as proposed by the Senate, and \$8,850,000 for contingencies and underruns on construction projects instead of \$16,501,600 as proposed by the Senate. The amount for processing plants is provided only in the event private financing is not forthcoming, and such plants are not to be constructed without first obtaining the approval of the Committees on Appropriations of the House and Senate.

Amendment No. 11—Reported in disagreement.

##### *Civil Service Commission*

Amendment No. 12—Investigations of United States citizens for employment by international organizations: Reported in disagreement.

##### *Federal Communications Commission*

Amendments Nos. 13, 14, and 15—Salaries and expenses: Authorize not to exceed \$4,000 for land and structures as proposed by the House instead of \$48,000 as proposed by the Senate; authorize not to exceed \$16,000 for care of grounds and buildings as proposed by the House instead of \$37,500 as proposed by the Senate; and appropriate \$6,544,400 as proposed by the House instead of \$7,294,400 as proposed by the Senate. The committee of conference has disallowed the request for additional funds for the frequency usage monitoring program. A further review of need for the program should be made and every effort made to achieve the essential parts of the program within existing programs and facilities.









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 17, 1954  
For actions of June 16, 1954  
83rd-2nd, No. 111

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HIGHLIGHTS: House passed surplus commodities bill. House conferees were appointed on agricultural appropriation bill. House agreed to conference report on independent offices appropriation bill. Senate committee reported trade agreements bill. Senate debated defense appropriation bill. Sen. Knowland inserted list of large corn, cotton, and wheat loans. Sen. Humphrey criticized reduction in dairy supports. Rep. Miller, Nebr., introduced and discussed bill to establish national water resources policy.

## HOUSE

1. SURPLUS COMMODITIES; FOREIGN AID. Passed with amendments S. 2475, to increase the consumption of U. S. agricultural commodities in foreign countries, etc. (pp. 7917-36).

Agreed to the following amendments:

By Rep. Hope, to permit CCC funds to be used in financing non-CCC surplus commodities (p. 7917).

By Rep. Abernethy, to delete language assuring that sales under the bill would not disrupt world prices of like commodities (pp. 7917-19).

By Rep. Martin, Iowa, to insert language to protect the domestic mining industry in connection with stockpiling activities and to authorize a supplemental stockpile (pp. 7919-21).

By Rep. Dies (by a vote of 64 to 45), to prohibit sales of commodities where the sale would enable the receiving country to sell to Iron Curtain countries or would increase trade between countries dealing with Iron Curtain countries (p. 7931).

By Rep. Judd, as amended by an amendment by Rep. Bailey, to provide that payment for commodities may consist of strategic materials, services, and foreign currencies (pp. 7931-2).

By Rep. Bailey, to require (rather than authorize) CCC aid for distress and disaster in the U. S. (p. 7932).

By Rep. Gathings, to permit use of title I funds for international educational exchange program (p. 7933).



- By Rep. Heselton, to permit aid to intergovernmental organizations (pp. 7933-4).  
By Rep. Marshall, requiring the labeling of famine assistance gifts to show that they came from the U. S. (p. 7934).  
By Rep. Harrison, Nebr., to insure that CCC will get credit for foreign currencies used by Government agencies (p. 7934).  
By Rep. Javits, to require that CCC certify the selling price in dollars to the recipient of what is being sold for foreign currencies (pp. 7935-6).

Rejected amendments by Rep. Davis (pp. 7921-5), Rep. Cooley (pp. 7925-6), Rep. Tollefson (pp. 7926-31), Rep. Williams (pp. 7934-5), and Rep. Fulton (p. 7935).

2. AGRICULTURAL APPROPRIATION BILL, 1955. Reps. Andersen, Horan, Hunter, Laird, Taber, Whitten, Cannon, and Marshall were appointed as conferees on this bill, H. R. 8779 (p. 7916). Senate conferees were appointed June 2.
3. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Agreed to the conference report on this bill, H. R. 8583, and acted on amendments which had been reported in disagreement (pp. 7936-7).
4. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 8554, to authorize the Foster Creek division of the Chief Joseph Dam project, Wash. (p. 7917).
5. SURPLUS PROPERTY. Passed without amendment H. R. 9232, to extend until June 30, 1955, the period during which disposals of surplus property may be made by negotiation (p. 7940).
6. WATER RESOURCES. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full Committee H. R. 2843, to authorize the Interior Department to investigate and report to Congress on the conservation, development, and utilization of water resources in Hawaii (p. D693).
7. BANKING AND CURRENCY. Passed without amendment H. R. 8729, to extend until June 30, 1956, the authority of Federal Reserve banks to purchase securities directly from the Treasury in amounts not to exceed \$5 billion outstanding at any one time (pp. 7937-44).
8. HOUSING bill, H. R. 7839, is to be debated today (p. D692).

#### SENATE

9. TRADE AGREEMENTS. The Finance Committee reported without amendment H. R. 9474, to extend until June 12, 1955, the authority of the President to enter into trade agreements (S. Rept. 1605) (p. 7866).
10. RESEARCH. Received from this Department a printed copy of the OES report for 1953; to Agriculture and Forestry Committee (p. 7866).
11. SCS AUDIT. Received from the Acting Comptroller General a report on the audit of SCS for the fiscal years 1951 and 1952; to Government Operations Committee (p. 7866).
12. IMPORTS. The Finance Committee reported with amendments H. R. 7709, to extend the date of suspension of certain import taxes on copper (S. Rept. 1608) (p. 7866).



83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2475

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## IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, JUNE 11), 1954

Ordered to be printed with the amendments of the House of Representatives  
numbered

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## AN ACT

To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the “Agricultural Trade  
4       Development Act of 1953”.

5       SEC. 2. It is hereby declared to be the policy of the  
6       Congress to use agricultural commodities in excess of market  
7       demands to expand free world economies by promoting ad-  
8       ditional trade and strengthening the economies of cooper-  
9       ating nations.

10       SEC. 3. In furtherance of this policy the President is

1 authorized, in accordance with the provisions of section  
2 550 ~~(b)~~, ~~(c)~~, ~~(d)~~, and ~~(e)~~ of the Mutual Security Act  
3 of 1951, as added by Public Law 118, Eighty-third Con-  
4 gress, first session, to—

5       ~~(a)~~ make excess agricultural commodities hereto-  
6 fore or hereafter acquired by the Commodity Credit  
7 Corporation, available for sale, and to deliver such com-  
8 modities as may be sold at such times, in such quantities,  
9 and at such places within the United States, including  
10 free on board vessel American ports, as the President  
11 may direct, and

12       ~~(b)~~ direct the Commodity Credit Corporation, from  
13 any funds available to it and subject to terms and con-  
14 ditions prescribed by the President, to convert into dol-  
15 lars the foreign currencies received by exporters in pay-  
16 ment for the sale of excess agricultural commodities  
17 which have been sold by exporters pursuant to this  
18 section:

19 *Provided*, That the total value of Commodity Credit Cor-  
20 poration stocks made available under ~~(a)~~ above, together  
21 with the expenditure under ~~(b)~~ above, shall not exceed  
22 \$500,000,000

23       SEC. 4. Excess agricultural commodities shall be those  
24 determined by the Secretary of Agriculture to be in excess of



1 probable domestic and export sales plus a reserve for working  
2 stocks.

3       SEC. 5. The President shall administer the provisions of  
4 this title so as to export the maximum quantities of agricul-  
5 tural commodities with the funds made available to him for  
6 this purpose.

7       SEC. 6. For the purpose of making payment to the Com-  
8 modity Credit Corporation for funds or commodities made  
9 available by it to carry out the provisions of this Act, there  
10 are hereby authorized to be appropriated to the Commodity  
11 Credit Corporation, out of any moneys in the Treasury not  
12 otherwise appropriated, such sums as are equal to the Cor-  
13 poration's investment in such commodities, including han-  
14 dling costs, plus the costs incurred in making deliveries  
15 hereunder, and expenditures incurred by the Corporation  
16 pursuant to the authority of section 3 (b). Notwithstand-  
17 ing the foregoing, in the case of its investment in local cur-  
18 rency used under the provisions of this Act for the purposes  
19 of paragraphs (1), (3), and (5) of section 550 (c) of the  
20 Mutual Security Act of 1951, the Commodity Credit Corpo-  
21 ration shall be reimbursed from funds appropriated for carry-  
22 ing out activities of the Mutual Security Agency rather  
23 than from funds appropriated pursuant to the authoriza-  
24 tion contained in this section. Any funds or assets available

1 to the Commodity Credit Corporation may be used, in ad-  
2 vance of such appropriations or payments, for carrying out  
3 the purposes of this Act.

4 SEC. 7. No programs shall be undertaken under the  
5 authority of this Act after June 30, 1955.

6 SEC. 8. The President shall make a report to Congress  
7 with respect to the activities carried on under this Act at  
8 least once each six months and at such other times as may be  
9 appropriate.

10 That this Act may be cited as the "Agricultural Trade  
11 Development and Assistance Act of 1954".

12 / SEC. 2. It is hereby declared to be the policy of Con-  
13 gress to expand international trade among the United States  
14 and friendly nations, to facilitate the convertibility of cur-  
15 rency, to promote the economic stability of American agricul-  
16 ture and the national welfare, to make maximum efficient use  
17 of surplus agricultural commodities in furtherance of the  
18 foreign policy of the United States, and to stimulate and  
19 facilitate the expansion of foreign trade in agricultural com-  
20 modities produced in the United States by providing a means  
21 whereby surplus agricultural commodities in excess of the  
22 usual marketings of such commodities may be sold through  
23 private trade channels, and foreign currencies accepted in  
24 payment therefor. It is further the policy to use foreign  
25 currencies which accrue to the United States under this



1 *Act to expand international trade, to encourage economic*  
2 *development, to purchase strategic materials, to pay United*  
3 *States obligations abroad, and to promote collective strength*  
4 *or further in other ways the foreign policy of the United*  
5 *States. /*

6 *TITLE I—SALES FOR FOREIGN CURRENCY*

7 *SEC. 101. In furtherance of this policy, the President*  
8 *is authorized to negotiate and carry out agreements with*  
9 *friendly nations or organizations of friendly nations to pro-*  
10 *vide for the sale of surplus agricultural commodities for for-*  
11 *ign currencies. In negotiating such agreements the Pres-*  
12 *ident shall—*

13 *(a) take reasonable precautions to safeguard usual*  
14 *marketings of the United States;*

15 *(b) take appropriate steps to assure that private*  
16 *trade channels are used both with respect to sales from*  
17 *privately owned stocks and from stocks owned by the*  
18 *Commodity Credit Corporation to the maximum extent*  
19 *practicable;*

20 *(c) give special consideration to utilizing the au-*  
21 *thority and funds provided by this Act, in order to de-*  
22 *velop and expand continuous market demand abroad*  
23 *for agricultural commodities, with appropriate emphasis*  
24 *on underdeveloped and new market areas;*

1           (d) seek and secure commitments from participating  
2       countries that will prevent resale or transshipment to  
3       other countries, or use for other than domestic purposes,  
4       of surplus agricultural commodities purchased under  
5       this Act, without specific approval of the President;  
6       and

7           (e) afford any friendly nation the maximum op-  
8       portunity to purchase surplus agricultural commodities  
9       from the United States, taking into consideration the  
10      opportunities to achieve the declared policy of this Act  
11      and to make effective use of the foreign currencies re-  
12      ceived to carry out the purposes of this Act.

13      SEC. 102. (a) For the purpose of carrying out agree-  
14      ments concluded by the President hereunder, the Commod-  
15      ity Credit Corporation, in accordance with directions of the  
16      President, (1) shall make available for sale hereunder at  
17      such points in the United States as the President may direct  
18      surplus agricultural commodities heretofore or hereafter  
19      acquired by the Corporation in the administration of its price  
20      support operations, and (2) shall make funds available to  
21      finance the sale and exportation of surplus agricultural com-  
22      modities other than those commodities which the Commodity  
23      Credit Corporation is in a position to supply from its own  
24      inventories, and (3) shall certify the selling price thereof  
25      in dollars.



1       (b) In order to facilitate and maximize the use of pri-  
2       vate channels of trade in carrying out agreements entered into  
3       pursuant to this Act, the President may, under such regula-  
4       tions and subject to such safeguards as he deems appropriate,  
5       provide for the issuance of letters of commitment against  
6       funds or guaranties of funds supplied by the Commodity  
7       Credit Corporation and for this purpose accounts may be  
8       established on the books of any department, agency, or estab-  
9       lishment of the Government, or on terms and conditions ap-  
10      proved by the Secretary of the Treasury in banking institu-  
11      tions in the United States. Such letters of commitment, when  
12      issued, shall constitute obligations of the United States and  
13      moneys due or to become due thereunder shall be assignable  
14      under the Assignment of Claims Act of 1940. Expenditures  
15      of funds which have been made available through accounts so  
16      established shall be accounted for on standard documentation  
17      required for expenditures of Government funds.

18       SEC. 103. (a) For the purpose of making payment to  
19      the Commodity Credit Corporation to the extent the Com-  
20      modity Credit Corporation is not reimbursed under section  
21      105 for commodities disposed of and costs incurred under  
22      titles I and II of this Act, there are hereby authorized to be  
23      appropriated such sums as are equal to (1) the Corporation's  
24      investment in commodities made available for export under  
25      this title and title II of this Act, including processing, pack-

1   aging, transportation, and handling costs, and (2) all costs  
2   incurred by the Corporation in making funds available to  
3   finance the exportation of surplus agricultural commodities  
4   pursuant to this title. Any funds or other assets available to  
5   the Commodity Credit Corporation may be used in advance  
6   of such appropriation or payments, for carrying out the  
7   purposes of this Act.

8       (b) Transactions shall not be carried out under this title  
9   which will call for appropriations to reimburse the Commod-  
10   ity Credit Corporation, pursuant to subsection (a) of this  
11   section, in amounts in excess of \$1,000,000,000.

12    § SEC. 104. Notwithstanding section 1415 of the Supple-  
13   mental Appropriation Act, 1953, or any other provision of  
14   law, the President may use or enter into agreements with  
15   friendly nations or organizations of nations to use the foreign  
16   currencies which accrue under this title for the purposes set  
17   forth in section 2 of this Act, including one or more of the  
18   following purposes:

19       (a) To help develop new markets for United States  
20   agricultural commodities on a mutually benefiting basis;

21       (b) To purchase or contract to purchase strategic  
22   and critical materials, within the applicable terms of the  
23   Strategic and Critical Materials Stockpile Act, for a  
24   supplemental United States stockpile of such materials  
25   under contracts, including advance payment contracts, for



1      *supply extending over periods up to ten years. All stra-*  
2      *tegic and critical materials acquired under authority of*  
3      *this title shall be placed in the above named supplemental*  
4      *stockpile and may be additional to the amounts acquired*  
5      *under authority of the Strategic and Critical Materials*  
6      *Stockpile Act. Materials so acquired shall be released*  
7      *from the supplemental stockpile only under the pro-*  
8      *visions of section 3 of the Strategic and Critical Materials*  
9      *Stockpile Act;*

10            *(c) To procure military equipment, materials, facili-*  
11            *ties, and services for the common defense;*

12            *(d) For financing the purchase of goods or services*  
13            *for other friendly countries;*

14            *(e) For promoting balanced economic development*  
15            *and trade among nations;*

16            *(f) To pay United States obligations abroad;*

17            *(g) For loans to promote multilateral trade and*  
18            *economic development, made through established bank-*  
19            *ing facilities of the friendly nation from which the for-*  
20            *ign currency was obtained or in any other manner*  
21            *which the President may deem to be appropriate. Stra-*  
22            *tegic materials, services, or foreign currencies may be*  
23            *accepted in payment of such loans;*

24            *(h) For the financing of international educational*

1        *exchange activities under the programs authorized by*  
2        *section 32 (b) (2) of the Surplus Property Act of 1944,*  
3        *as amended (50 U. S. C. App. 1641 (b)) :*

4        *Provided, however, That section 1415 of the Supplemental*  
5        *Appropriation Act, 1953, shall apply to not less than 10 per*  
6        *centum of the foreign currencies which accrue under this*  
7        *title: Provided, however, That the President is authorized to*  
8        *waive such applicability of section 1415 in any case where*  
9        *he determines that it would be inappropriate or inconsistent*  
10       *with the purposes of this title.*

11       *SEC. 105. Foreign currencies received pursuant to this*  
12       *title shall be deposited in a special account to the credit of*  
13       *the United States and shall be used only pursuant to section*  
14       *104 of this title, and any department or agency of the gov-*  
15       *ernment using any of such currencies for a purpose for which*  
16       *funds have been appropriated shall reimburse the Commodity*  
17       *Credit Corporation in an amount equivalent to the dollar*  
18       *value of the currencies used.*

19       *SEC. 106. As used in this Act, "surplus agricultural*  
20       *commodity" shall mean any agricultural commodity or prod-*  
21       *uct thereof, class, kind, type, or other specification thereof,*  
22       *produced in the United States, either privately or publicly*  
23       *owned, which is in excess of domestic requirements, ade-*  
24       *quate carryover, and anticipated exports for dollars, as de-*  
25       *termined by the Secretary of Agriculture.*



1        *SEC. 107. As used in this Act, "friendly nation" means*  
2        *any country other than (1) the U. S. S. R., or (2) any*  
3        *nation or area dominated or controlled by the foreign govern-*  
4        *ment or foreign organization controlling the world Com-*  
5        *munist movement.*

6        *SEC. 108. The President shall make a report to Con-*  
7        *gress with respect to the activities carried on under this*  
8        *Act at least once each six months and at such other times as*  
9        *may be appropriate.*

10        *SEC. 109. No transactions shall be undertaken under*  
11        *authority of this title after June 30, 1957, except as required*  
12        *pursuant to agreements theretofore entered into pursuant to*  
13        *this title.*

14 *TITLE II—FAMINE RELIEF AND OTHER*  
15 *ASSISTANCE*

16        *SEC. 201. In order to enable the President to furnish*  
17        *emergency assistance on behalf of the people of the United*  
18        *States to friendly peoples in meeting famine or other urgent*  
19        *relief requirements, the Commodity Credit Corporation shall*  
20        *make available to the President out of its stocks such surplus*  
21        *agricultural commodities (as defined in section 106 of title*  
22        *I) f. o. b. vessels in United States ports, as he may request,*  
23        *for transfer (1) to any nation friendly to the United States*  
24        *in order to meet famine or other urgent relief requirements*

1 of such nation, and (2) to friendly but needy populations  
2 without regard to the friendliness of their government.

3       *SEC. 202. The President may authorize the transfer on*  
4 *a grant basis of surplus agricultural commodities from Com-*  
5 *modity Credit Corporation stocks to assist programs under-*  
6 *taken with friendly governments or through voluntary relief*  
7 *agencies.*

8       *SEC. 203. Not more than \$100 million worth of surplus*  
9 *agricultural commodities from Commodity Credit Corpora-*  
10 *tion stocks may be used by the President without regard*  
11 *to the requirements of this title or of the Mutual Defense*  
12 *Assistance Control Act of 1951, when the President deems*  
13 *that such use is important to the foreign policy objectives*  
14 *of the United States.*

15       *SEC. 204. Not more than \$300,000,000 (including the*  
16 *Corporation's investment in the commodities) shall be ex-*  
17 *pended for all transfers, including delivery on board vessels*  
18 *in United States ports, under this title. The President may*  
19 *make such transfers through such agencies including inter-*  
20 *governmental organizations, in such manner, and upon such*  
21 *terms and conditions as he deems appropriate; he shall make*  
22 *use of the facilities of voluntary relief agencies to the extent*  
23 *practicable.*

24       *SEC. 205. No programs of assistance shall be undertaken*  
25 *under the authority of this title after June 30, 1957.*



1           *TITLE III—GENERAL PROVISIONS*

2           *SEC. 301. Section 407 of the Agricultural Act of 1949 is*  
3 *amended by adding at the end thereof the following: "Not-*  
4 *withstanding the foregoing, the Corporation shall make*  
5 *available to the President any farm commodity owned or*  
6 *controlled by it for use in relieving distress (1) in any area*  
7 *in the United States declared by the President to be an*  
8 *acute distress area because of unemployment or other eco-*  
9 *nomie cause if the President finds that such use will not*  
10 *displace or interfere with normal marketing of agricultural*  
11 *commodities and (2) in connection with any major disaster*  
12 *determined by the President to warrant assistance by the*  
13 *Federal Government under Public Law 875, Eighty-first*  
14 *Congress, as amended (42 U. S. C. 1855). The responsi-*  
15 *bility of the Corporation in connection with the use of such*  
16 *commodities shall be limited to delivery of the commodities*  
17 *to designated agencies at one or more central locations in*  
18 *each State, except that facilities and funds of the Corpora-*  
19 *tion may be utilized for the processing or packaging of such*  
20 *commodities on a reimbursable basis.*

21           *SEC. 302. Section 416 of the Agricultural Act of 1949*  
22 *is amended to read as follows:*

23           *"SEC. 416. In order to prevent the waste of commodities*  
24 *acquired through price-support operations by the Commodity*  
25 *Credit Corporation before they can be disposed of in normal*

1 domestic channels without impairment of the price-support  
2 program or sold abroad at competitive world prices, the  
3 Commodity Credit Corporation is authorized, on such terms  
4 and under such regulations as the Secretary may deem in  
5 the public interest: (1) upon application, to make such  
6 commodities available to any Federal agency for use in mak-  
7 ing payment for commodities not produced in the United  
8 States; (2) to barter or exchange such commodities for  
9 strategic defense materials as provided by law; (3) to  
10 donate such commodities to the Bureau of Indian Affairs  
11 and to such State, Federal, or private agency or agencies  
12 as may be designated by the proper State or Federal  
13 authority and approved by the Secretary, for use in  
14 nonprofit school-lunch programs, in the assistance of needy  
15 persons, in State or Federal penal and corrective institutions,  
16 and in publicly owned hospitals; (4) to donate any such  
17 commodities in excess of anticipated disposition under (1),  
18 (2), and (3) above to nonprofit voluntary agencies regis-  
19 tered with the Committee on Voluntary Foreign Aid of  
20 the Foreign Operations Administration or other appropriate  
21 department or agency of the Federal Government and inter-  
22 governmental organizations for use in the assistance of needy  
23 persons outside the United States. In the case of (3) and  
24 (4) above the Secretary shall obtain such assurance as he  
25 deems necessary that commodities disposed of thereunder will



1 be in addition to and not in substitution for any normal  
2 consumption. In order to facilitate the appropriate disposal  
3 of such commodities, the Secretary may from time to time  
4 estimate and announce the quantity of such commodities  
5 which he anticipates will become available for distribu-  
6 tion under (3) and (4) above. The Commodity Credit  
7 Corporation may pay, with respect to commodities dis-  
8 posed of under this section, reprocessing, packaging, trans-  
9 porting, handling, and other charges accruing up to the  
10 time of their delivery to a Federal agency or to the  
11 designated State or private agency, in the case of com-  
12 modities made available for use within the United States,  
13 or their delivery free alongside ship or free on board  
14 export carrier at point of export, in the case of commodi-  
15 ties made available for use outside the United States. For  
16 the purpose of this section the terms 'State' and 'United  
17 States' include the District of Columbia and any Territory  
18 or possession of the United States.'

19 SEC. 303. The second paragraph of the Act of June 28,  
20 1937 (50 Stat. 323), as amended, is hereby amended by  
21 adding before the period at the end thereof the following  
22 words "and for use in such State penal and corrective institu-  
23 tions as the Secretary may approve".

24 SEC. 304. Whenever the Secretary has reason to believe  
25 that, in addition to other authorized methods and means of

1 disposing of agricultural commodities owned by the Com-  
2 modity Credit Corporation, there may be opportunity to  
3 protect the funds and assets of the Commodity Credit Cor-  
4 poration by barter or exchange of such agricultural com-  
5 modities for strategic materials entailing less risk of loss  
6 through deterioration or substantially less storage charges, he  
7 is hereby directed to use every practicable means to assist  
8 other Government agencies and private trade channels in  
9 arranging and making such barters or exchanges or to  
10 utilize the authority conferred on him by section 104 (h)  
11 of the Commodity Credit Corporation Charter Act to make  
12 such barters or exchanges. Strategic materials so acquired  
13 by the Commodity Credit Corporation shall be considered as  
14 assets of the Corporation and other agencies of the Govern-  
15 ment, in purchasing strategic materials, shall purchase such  
16 materials from Commodity Credit Corporation inventories to  
17 the extent available in fulfillment of their requirements.  
18 The Secretary is also directed to assist, through such means  
19 as are available to him, farmers' cooperatives in effecting  
20 exchange of agricultural commodities in their possession for  
21 strategic materials.

22       SEC. 305. Notwithstanding the provisions of title I and  
23 II of this Act, the President shall not sell or transfer any sur-  
24 plus agricultural commodity to any nation unless upon care-  
25 ful investigation he determines (1) that the sale or transfer



1 of such commodity to such nation will not enable such nation  
 2 to export some commodity or product to the U. S. S. R., or to  
 3 any nation or area dominated or controlled by the foreign  
 4 government or foreign organization controlling the world  
 5 Communist movement, or (2) the sale or transfer of such  
 6 commodity will not create, maintain, increase, or stimulate  
 7 trade between such nation to whom the sale or transfer will  
 8 be made and the U. S. S. R., or any nation or area  
 9 dominated or controlled by the foreign government or foreign  
 10 organization controlling the world Communist movement.

11 SEC. 306. All Commodity Credit Corporation stocks dis-  
 12 posed of under title II of this Act and section 416 of the  
 13 Agricultural Act of 1949, as amended, shall be clearly  
 14 identified by, as far as practical, appropriate marking on  
 15 each package or container as being furnished by the people  
 16 of the United States of America.

Amend the title so as to read: "An Act to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes."

Passed the Senate July 28 (legislative day, July 27), 1953.

Attest:

J. MARK TRICE,

*Secretary.*

Passed the House of Representatives with amendments  
 June 16, 1954.

Attest:

LYLE O. SNADER,

*Clerk.*







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## AN ACT

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To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, JUNE 11), 1954

Ordered to be printed with the amendments of the  
House of Representatives numbered



the Senate be, and he is hereby, authorized and directed to reenroll the bill with the following change, namely: On page 2, line 6, after the word "or", insert the word "by."

The resolution was concurred in, and a motion to reconsider was laid on the table.

#### FOSTER CREEK DIVISION OF THE CHIEF JOSEPH DAM PROJECT, WASHINGTON

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 587, Rept. No. 1883), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4854) to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division of the Chief Joseph Dam project, Washington. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### MARKHAM FERRY PROJECT ON THE GRAND RIVER IN OKLAHOMA

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 588, Rept. No. 1884), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 119) to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendment thereto to final passage without intervening motion except one motion to recommit.

#### CONGRESSIONAL BASEBALL GAME

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. BISHOP] to make an announcement.

Mr. BISHOP. Mr. Speaker, I have just been informed by the Evening Star

that under former arrangements the baseball park has been taken for Tuesday night. The ball game is definitely on for next Wednesday. The show will start at 7:30 and the game will come immediately after that. In case of rain on Wednesday night, the game will be Thursday night. All tickets are good for next Wednesday night.

#### AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2475, with Mr. FORD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the bill was considered as read and open for amendment at any point. Are there any further amendments?

Mr. HOPE. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. HOPE: On page 6, line 23, after the word "commodities", strike out the period and the remainder of the subsection through line 13 on page 7 and insert "Other than those commodities that the Commodity Credit Corporation is in a position to supply from its own inventories."

Mr. HOPE. Mr. Chairman, this amendment is being offered by direction of the Committee on Agriculture pursuant to action taken at a meeting held this morning. It is offered as a committee amendment. It relates to section 102 of the pending bill.

The effect of the amendment is to provide that funds of the Commodity Credit Corporation may be used in financing exports of surplus agricultural commodities other than those commodities which the Commodity Credit Corporation is in position to supply from its own inventory.

In explanation let me say that the bill in its present form permits the use of Commodity Credit funds for the purpose of exporting and financing the export of agricultural commodities other than those owned by the Commodity Credit Corporation, but it provides that in the case of those commodities which are not owned by the Commodity Credit Corporation the exporter must purchase and take delivery from the Commodity Credit Corporation of a similar commodity of comparable value to the commodity which may be exported.

In brief, what this amendment does is to do away with that requirement. The amendment is that simple. I think that

explains it. Unless there are questions I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ABERNETHY: On page 5, strike out lines 14, 15, and 16.

Mr. ABERNETHY. Mr. Chairman, on yesterday afternoon I directed my remarks and criticism to subsection (a) on page 5. For the benefit of those who were not then present, I would like to direct your attention to this subsection. It provides, among other things, that the President of the United States in negotiating agreements for the sale of surplus farm commodities must take reasonable precaution to safeguard against displacement of usual marketings of friendly nations, and assure insofar as practicable that sales under this act will not disrupt world prices of like commodities of similar quality.

Many of you, particularly those who come from the urban areas, and I can understand your position, have complained rather vociferously in the last year or two about our large agricultural surpluses. Now, may I say to all of you that the American farmer is not himself entirely responsible for these surpluses. The Government itself, under the influence of the State Department, is very largely responsible inasmuch as it has erected a wall around our ports, a one-way wall, which prevents our agricultural surpluses from moving in export. It has taken the position that American agricultural products shall not move into foreign markets, into export markets, unless and until every other nation of the world has sold every bale of cotton, every bushel of wheat, or every bushel of corn surplus to its needs; then, if there is any business left, the products which our farmers have produced may move into the export market. That is wrong. It is unfair and has made for nothing less than economic peonage for our farmers, aside from building up surpluses about which many of you complain.

If there is anything in which we, as Americans, have taken great pride it is the free competitive system, but we now find ourselves in the shameful position of denying that principle and that right to our farm people, 25 million of them.

What does my amendment do? First, it will have the effect of establishing a true world price for agricultural commodities. That world price should be based upon the surplus supply of all nations and not simply upon the surplus supply of all nations of the world to the exclusion of that of the United States. The latter is the policy we are following today, and I say again it is wrong. If we will only tear down this economic barrier which has been erected around the American farmers and permit them to move their exportable surpluses into world trade at the prevailing world price, then I say that in a very short time these surpluses will disappear from our ware-



houses and will be purchased and consumed by the peoples of other countries who need, want, and will buy them.

Why should we continue to follow this crazy philosophy of the State Department, the one-worlders, to lean over backwards in the interest of everyone but ourselves? Why should we continue to insist that the farmers of our own country cannot export their own surpluses in world trade until all of the other nations of the world have exported and sold the surpluses which they have? Why make our farmers eat at the second table and get only the leavings? I say again, it is wrong, it is unfair and highly discriminatory.

My amendment is very simple, is fair. It takes no unfair advantage of anyone, or of any foreign country. It simply puts our foreign competitors on the same level with us. It gives no advantage to anyone. It is nothing less than fair.

I hope my amendment will be adopted. (Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I rise in support of the pending amendment.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I hope the committee will adopt this amendment. If I may, I would like to add one thought to that which has been so ably presented by the gentleman from Mississippi. Many of us have been trying to dig into this problem for the last year or more as to why we are not offering our American farm commodities at competitive prices, even though the law now authorizes it.

As you study the matter it becomes clearly apparent it is because the State Department attitude in practically every case is that the interests of the other countries must be kept foremost in mind in any effort to sell agricultural commodities.

Here is the principal point of this matter. We have under our governmental policy built up the supplies of many commodities on our hands to such an extent that we could not very well in fairness or in our own defense dump just all of them at one time. There are no plans to do so. Our Department of Agriculture knows that. The supplies are such that we have got to move them back into world trade in an orderly way but we must insist on our right to move them. The Department of Agriculture knows that. The State Department has largely prevented that though there is no law. But, if you leave this provision in this bill—which, incidentally, which I understand was written in this bill in the original draft by the State Department—if this section stays in there, where it is in the law we might be taken to have approved present State Department objections. The section the amendment would eliminate says that in offering our commodities competitively in world trade we must determine that such reproval does not affect the interest of certain foreign nations. Since a determination would be required, State Department decision in any case

would be controlling. It means that notwithstanding that Agriculture may say that a particular will not seriously affect these competing countries, we would be stymied as we are now. In offering American farm commodities in world trade at competitive prices, we are not doing anything more than treating the American farmer right and we would do it on a small enough scale not to destroy the world price or our friends. But I think we all know if we do strike out this provision, you have taken away something from the State Department to hide behind. The Department has us largely stymied now without a law. If this section is not stricken out we will have endorsed present actions which are highly detrimental to American agriculture. I think we can all count on our Department of Agriculture, if it gets the opportunity of offering agricultural farm commodities competitively on world markets, to realize that we must move such commodities in a well-regulated way so as not to needlessly or seriously affect other nations. But we must strike out this provision, because this same determination by the State Department without congressional approval in nearly every case has meant for 10 years following a program of not offering agricultural commodities on the world market. The best we have had is at prevailing prices, which is far different from making our prices competitive.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Wisconsin.

Mr. JOHNSON of Wisconsin. I want to commend the gentleman from Mississippi on the stand he has taken. This is not the first time he has taken the floor on this question. He has been calling our attention all session to this situation. I think we should support him and Mr. ABERNETHY also from Mississippi on this amendment. This will help move some of the surplus butter and cheese.

Mr. WHITTEN. Certainly. The adoption of this amendment will show congressional disapproval of the determination by certain folks in the Government that we should not sell our commodities but stand by and let everybody else sell theirs. There is no requirement in law that the policy be followed, and if you strike this section out, we will take one step toward restoring to the American farmer his right to have his commodities offered on world markets at competitive prices.

Mr. HOPE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment which has been offered by the gentleman from Mississippi [Mr. ABERNETHY] is rather far-reaching. It has been discussed to some extent in the Committee on Agriculture, but the committee has not reached any decision on it. What is involved here is the question of whether or not we want to set up provisions here which would prevent a price war as far as export commodities are concerned. I am sure that there is no one who believes that a price war among the exporting

nations of the world as far as agricultural commodities are concerned would be a good thing.

I am in sympathy with the viewpoint that has been expressed by the two distinguished gentlemen from Mississippi, but at the same time I have had my doubts as to whether we should take from this bill criteria that might be necessary in order to determine just how far we should go in this policy of meeting competition. I think we ought to sell at competitive prices, I will say to the gentleman, but you sometimes get into a rather delicate situation when you are dealing with matters of this kind.

What I want to say is that notwithstanding the fact that I think this amendment poses some elements of danger, I am willing, as far as I am concerned, to accept the amendment and take it to conference. I think perhaps there might be some better language than that which is contained in the bill if we want to put any safeguards against dumping or cutthroat competition. So I am willing, as far as I am concerned, to accept the amendment for the purpose of taking it to conference.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WHITTEN. I do not mean to belabor this point but, in view of the statement of the gentleman, since this would go to conference, may I point out for whatever weight it might have in conference, that this is a bill to help move American agricultural products, we hope. The provision in the bill makes for restrictions that do not now exist anywhere in law. While the gentleman points out a serious problem and one that must be kept uppermost in mind by our people who are trying to move agricultural products—that is, not to needlessly do these things—I think that is a policy matter. But here, in a bill that we hope will help to move agricultural commodities, to write further restrictions in the law would not be wise. We are not trying to eliminate sound policy in moving these commodities, but this should be a policy matter and there should not be further restrictions in the law.

I am glad to hear that the gentleman accepts this amendment, and I hope that in conference he will try to make this matter clear in the report where he can spell out such things that should be considered; but not to have them in the bill as it is here where, as a matter of law, you would have to do so and so. It would be a much better way to have these matters considered and spelled out in the report than to have it in the law.

I want to thank the gentleman for accepting the amendment.

Mr. HOPE. I am sure the gentleman and I are in fundamental agreement on this matter. It is just a matter of the language that should be used and just how far we should go.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. SPRINGER. Mr. Chairman, I want to say at this point that the gentleman from Mississippi [Mr. ABERNETHY] has made a worthwhile contribution in



introducing this amendment. I want to say, in spite of that, that I am not sure, if it were brought to a vote, that I would support it. But I do want to say this further, that everything the gentleman said on the floor today was borne out by what I learned last summer in Europe everywhere I went. There was this continual holding back on the part of the State Department in doing anything about our agricultural surpluses. At that time I told them this very thing would occur; this kind of an amendment would be offered in some bill, some time in the future, unless they change their policy. Personally, I know that we have got to have some kind of a restriction in this bill to prevent dumping. That is absolutely necessary if we are to retain any kind of foreign policy for this country. But I do think this is the most salutary warning that the State Department could have of what the temper of this Congress is unless they fundamentally change their policy.

I want to say to the chairman that I hope he will come in with some reasonable change in conference on this bill.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HARVEY. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Kansas [Mr. HOPE] be extended for 1 additional minute so that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Chairman, in looking at the preliminary wording of this section 101, it seems to me that this amendment is O. K., because in the final analysis, is it not true that the process is one of negotiation and that a great deal is left to the judgment of the President?

Mr. HOPE. I think the gentleman is correct in that. Without this language, of course, as the gentleman says, the matter is in the control of the President and certainly some precautions could be taken. The thing I fear is that since the language was in the bill originally, if the House strikes it out, then it might carry a connotation different than would be the case if it had not been in there originally. In other words, it is a situation where the House is taking a position that might be interpreted to mean that we were in favor of a price war or in favor of dumping. I do not think we are.

Mr. HARVEY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The amendment was agreed to.

Mr. JUDD. Mr. Chairman, on yesterday six amendments were offered by me to be considered en bloc. During the discussion the gentleman from West Virginia [Mr. BAILEY] reserved the right to object to one of those amendments dealing with the repayment of loans. After some discussion the gentleman from Missouri [Mr. JONES] objected, in the words of the RECORD, "to the inclusion of that last amendment in those amend-

ments to be considered en bloc." I understood him to mean, and so did the Parliamentarian, that the amendment under discussion at the moment with the gentleman from West Virginia was the one to be excluded, and I so asked and the Committee of the Whole gave unanimous consent.

In order to meet what I later learned was the intent of the gentleman from Missouri and in order that the amendment he had in mind may be considered separately, I ask unanimous consent that the proceedings of yesterday be vacated with respect to the last of the six amendments offered en bloc, the one on page 12, line 2. Then the amendment will be offered in a revised form that is acceptable to the gentleman from Missouri.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. GROSS. Reserving the right to object, Mr. Chairman, are we going to hear this amendment read?

The CHAIRMAN. As the Chair understands it, this amendment will be read at the time it is subsequently offered, when offered individually.

Mr. GROSS. It will be offered individually?

The CHAIRMAN. That is correct.

Mr. JONES of Missouri. Reserving the right to object, Mr. Chairman, I would just like to make a statement. I do not see how my objection yesterday could have been misunderstood because the amendments are listed here, and I said "the last one." The last one is printed in the RECORD and is the one that should have been omitted from the vote. However, I am certainly agreeable to the request since the error was made.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Chairman, I offer the revised amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Page 12, line 2, after "stocks", strike out the remainder of the section and insert "to assist programs undertaken with friendly governments or through voluntary relief agencies."

Mr. JUDD. Mr. Chairman, the amendment in this form meets the objection of the gentleman from Missouri [Mr. JONES]. It defines the general objectives for which the President may use surpluses on a grant basis to friendly countries.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from North Carolina.

Mr. COOLEY. Just why does the gentleman desire to strike out the language "to assist low-income groups?"

Mr. JUDD. It is too broad. The language in the bill now would make Henry Wallace's bottle of milk for every Hottentot look modest indeed. Read it. It authorizes the President to transfer the supplies on a grant basis to friendly nations to assist low-income groups through special cooperative programs undertaken with foreign governments for relief and increased consumption.

Just what does that mean? That takes in most of the people of the world, not just the Hottentots. Practically everybody could be classed in a low-income group when considered by American standards. I believe the scope of the beneficiaries of this program should be narrowed to those in most urgent need, or where most good can be done, such as undernourished children. To designate "low-income groups" would allow the aid to be given to millions who have low incomes but are not those in greatest need of it. My amendment is designed to tighten the authorization somewhat. It still is plenty broad. But the language now in the bill, it seems to me, could be considered almost a mandate for our Government to go into any country wherever it found poor people and pass things out to them more or less indiscriminately. It seems to me that is not the best way to use these commodities.

Mr. COOLEY. Under the language proposed by the gentleman, such organizations as CARE could operate a program?

Mr. JUDD. Certainly. The amendment so states, whereas the original language does not.

Mr. COOLEY. And through such a program could bring relief to individuals.

Mr. JUDD. That is right.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman brought the name of Henry Wallace into the discussion in connection with the amendment. As a matter of fact, this bill is a complete vindication of what Henry Wallace recommended.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. MARTIN of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Iowa: On page 9, line 7, strike out lines 7 through 17, inclusive, and insert the following:

"(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials under contracts, including advance-payment contracts, for supply extending over periods up to 10 years. All strategic and critical materials acquired under authority of this title shall be placed in the above-named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act."

Mr. MARTIN of Iowa. Mr. Chairman, I have cleared this amendment with the chairman of the committee [Mr. HOPE] and with the ranking minority member, the gentleman from North Carolina [Mr. COOLEY]. I am offering this amendment today to bring this particular bill in line with the Stockpile Act and to achieve the real purposes of the bill under consideration. During general debate yesterday, I discussed it briefly. I do not think I



need to repeat that discussion. This amendment will protect the mining industry and also give an extension of the authorization for a supplemental stockpile, and also give a little better protection to the mining industry in the matter of leaving the authority strictly with the Congress for the removal of any part of these materials out of this stockpile.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. HOPE. May I say to the gentleman and to the committee that the gentleman from Iowa has consulted with the chairman and other members of the committee including the ranking minority member [Mr. COOLEY]. If I may have the attention of the ranking minority member of the committee, the gentleman from North Carolina, he has discussed this amendment with the gentleman from Iowa, and he has no objection to it; is that correct?

Mr. COOLEY. That is correct.

Mr. HOPE. As I was going to say, I have no objection to it. I believe the amendment is carefully drawn and will meet the situation in a proper way.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. JUDD. Merely to clarify the situation, will the gentleman state who is to determine what the size of the supplemental stockpile is to be?

Mr. MARTIN of Iowa. The President.

Mr. JUDD. But the amendment does not say so. I think in conference it might be a good idea to make that clear. The language now in the bill does specifically say that the size of the additional stockpile shall be determined by the President, but it is your understanding that under your amendment that decision is to be by the President?

Mr. MARTIN of Iowa. That is my understanding.

Mr. JUDD. I thank the gentleman.

Mr. MARTIN of Iowa. I am glad to have it made clear here in the discussion on the floor of the House.

Mr. JUDD. I think it might be wise in conference to insert language providing that supplemental stockpile purchases essential to national security shall be "as determined by the President." There is now no indication who determines the size of the stockpile.

Mr. MARTIN of Iowa. I thank the gentleman for the suggestion.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. DURHAM. This applies to the act, of course, under which the National Resources Board makes a determination as to what will go into the stockpile, how much, and in what amount.

Mr. MARTIN of Iowa. This is strictly limited here.

Mr. DURHAM. This will be applicable to the Stockpile Act, Public Law 520?

Mr. MARTIN of Iowa. That is correct.

Mr. DURHAM. I think the gentleman's amendment is very sound. I think it is very opportune to have it with this piece of legislation.

Mr. MARTIN of Iowa. I thank the gentleman very much. There is no

Member on the House floor who knows more about the work in this field than the gentleman from North Carolina and I appreciate his statement very much.

Mr. Chairman, during the general debate on the bill, S. 2475, yesterday I discussed briefly the need for the amendment I am now offering to this bill. This amendment develops subsection (b) of section 104 to extend the power to acquire by purchase or barter under contracts up to 10 years strategic and critical materials in foreign lands in exchange for agricultural commodities and in excess of the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Safeguards to the American mining industry are included in the provision requiring such acquisition to be made within the applicable terms of the Strategic and Critical Materials Stockpile Act and the provision limiting release of such materials from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act, which law limits the release of such materials to rotation where necessary to prevent deterioration and sale any material where the revised determination removes such material from the list of strategic and critical materials by reason of obsolescence of that material for use in time of war. With those exceptions section 3 of the Strategic and Critical Materials Stockpile Act prohibits the disposal of any such materials without the express approval of Congress.

I urge adoption of this amendment primarily to enable the President to carry out the purposes of the bill now under consideration without violating the basic provisions of the Strategic and Critical Materials Stockpile Act.

Mr. VURSELL. Mr. Chairman I am happy to give my full support to S. 2475, which would authorize the President to negotiate and carry out agreements with friendly nations to provide for the sale of American surplus agricultural commodities in exchange for foreign currency.

This legislation should greatly increase sales and exports of agricultural commodities, which is so important not only to the farmers of the Nation but to the entire economy of the Nation, as well.

I think this legislation will help to remove the roadblock on trade between the United States and other free nations by making it possible to accept their currency during the period when they are short of American dollars. We in turn can use this currency with other nations in payment for import goods to our country, or in payment for some of our military housekeeping operations in foreign countries.

It will help to get food to friendly nations who really need it, and will help to cut down our present surpluses, and increase purchases of farm products, and ease up the storage problem—all of which will result in a saving to our Government.

In addition, it will strengthen and enhance our prestige throughout the free nations of the world.

It goes a long way toward solving the questions of convertibility in currency, which is so necessary to a free exchange

of commodities, that should increase our agricultural exports and other exports.

American businessmen will be able to purchase foreign currencies for our own dollars, and in turn use those foreign currencies in the countries which do business with us.

Briefly, this proposed legislation would set up a revolving fund of \$1 billion to carry out the provisions of this act.

This is not a giveaway of our surplus agricultural commodities. It furnishes a means by which we will exchange our products for the currencies of foreign friendly nations, and we will have those currencies available for expenditures in those countries.

The basic idea in this legislation is to sell more farm products to foreign countries, and I feel certain from the safeguards that are written into this legislation, that the use of this revolving fund contemplated will go a considerable distance, not only to increase sales of our farm products to foreign countries, but will encourage a friendly exchange of trade that will help greatly to relieve the farm problem, and the surplus of agricultural commodities that now exist.

Mr. JOHNSON of California. Mr. Chairman, I intend to support this bill because I believe it presents a feasible and constructive plan to dispose of surplus stocks of agricultural products in the warehouses of the Commodity Credit Corporation.

It is a known fact that the CCC now holds upwards of \$6 billion worth of surplus agricultural products which have accumulated under our support program.

This bill places much of the administration in the hands of the President. Of course he will set up an organization to obtain the facts necessary for the making of his decisions. He may negotiate and carry out agreements with friendly nations for the sale of surplus agricultural commodities for foreign currencies. He must take proper precautions to safeguard against the displacement of usual marketings of the United States or friendly nations and also against disrupting world prices of like commodities. Appropriate steps must be taken to assure that private-trade channels are used with respect to sales from privately owned stocks and CCC stocks. I hope this provision will be administered so as not to hinder or impede the sales of private stocks. The funds and the authority provided by this act shall be used to develop and expand continuous demand abroad for agricultural products with emphasis on underdeveloped and new market areas.

Commitments from participating countries must be had to prevent resale to other countries or use for other than domestic purposes.

The currencies of other countries thus acquired may be used to buy commodities that are exported to the United States, rather than using our dollars.

This act provides that with surplus commodities, or currencies obtained therefor, we may purchase materials to enhance our strategic stockpile; military equipment, materials, and facilities for the common defense. Revenues



from the sale of this surplus may be used to pay United States obligations abroad.

Then there is a section which provides for famine relief and other assistance. This has been referred to as the "giveaway program." It is designed to develop good will with foreign nations. We are giving some of our surplus commodities to underprivileged nations to help them properly feed their populations; to take care of disasters, in short to befriend them and assist them to stand on their own feet. In this way we should gain much good will and indirectly help our farmers by taking their surplus commodities off the market, thus maintaining a profitable price level for the agricultural products which we sell at home.

This bill should provide a start that will handle surplus commodities in a way that will be beneficial to our farmers and will also increase trade, build up strategic stockpiles, increase foreign trade, promote good relations with foreign countries and bolster the national security. It may be the real answer to the question, How can we get rid of surplus agricultural commodities for the benefit of ourselves and those to whom we sell the surpluses.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia to amend Senate 2475 by striking therefrom all of title II beginning with line 11, page 11, and ending on line 22 on page 12.

Mr. DAVIS of Georgia. Mr. Chairman, this bill is divided into two parts, title I dealing with materials which are to be sold. Title II, the part which my amendment would strike, deals with the give-away part of the bill. Title I at least goes through the fiction of selling these surplus commodities. In my opinion, the entire program will wind up being a give-away program, but at least title I does go through the fiction of providing for the sale of these surplus commodities.

I realize that the Commodity Credit Corporation has over \$6 million invested in these surplus commodities. I realize that they have become quite a problem to agriculture in this country and to the Government in general. I also realize that the authority of the Commodity Credit Corporation to borrow from the Treasury to finance its operations has been increased. An increase has been approved from the \$6¼ billion, which it was previously authorized to borrow, up to \$8½ billion. That in itself indicates that this surplus commodity problem has become one of the great headaches of the country. I also realize that the prosperity of agriculture is tied in which the prosperity of the country, and that the welfare of the country depends upon maintaining the prosperity of the farmers. However, the proposition with which we are dealing this morning does not involve the simple process of simply transferring surplus commodities, al-

ready purchased by the Government, over to people either in this country or in other countries. There is a great deal more involved than that. There is involved in this bill additional appropriations. This bill when it passes, if it passes, means that for every dollar's worth of surplus commodities disposed of under this bill we will have to appropriate money to reimburse the Commodity Credit Corporation. It means that our deficit will be increased. It means that additional pressure will be brought upon Congress to increase our debt limit. We are right up to the debt limit. The ceiling now is \$275 billion. The last Treasury report which I saw gave the information that the national debt is \$272,900,000,000. So all of those things are involved in this bill. It will mean additional pressure to increase the debt limit.

Mr. Chairman, the Congress has, little by little, year after year, given up the authority which it once possessed over the purse strings of this Nation. It is one of the strong features of our Constitution and of our form of government that the Congress of the United States is supposed to hold the purse strings of the Nation. Yet, by one piece of legislation after another, we have given up that authority, and it has now almost reached the point where it does not make any difference what Congress thinks about whether an appropriation ought to be made or not. We have in many, many instances surrendered our authority to pass judgment upon appropriations which are made for many, many purposes.

In my judgment we have set precedents which are very bad. We gave grain to Pakistan. We gave grain to India. I voted against both of them. I did not think it was wise for us to start these give-away programs and I voted against both of them. But that is all in the past. That has been done. But at least this Congress exerted its authority there. This give-away item in this bill today leaves Congress entirely out of the picture and transfers authority entirely out of the hands of the Congress which it should retain and exercise.

I think this give-away title ought to be eliminated. Let us try title I for a while. It will at least go through the fiction of selling these surplus commodities.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Georgia, of course, is properly concerned about the fiscal situation of the country; but the fiscal situation of this country is not going to be changed one iota whether we permit some of these surplus commodities, particularly the perishable commodities, to rot and spoil in the hands of the Commodity Credit Corporation or make them available to friendly nations who are in distress.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield for a question?

Mr. HOPE. In just a moment.

If the Committee will refer to section 201, the specifications are set out there under which the President may furnish this assistance:

In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements.

I can conceive of no one in the United States who would want to deny the President that power when we are so fortunate as to have here in our storehouses today these commodities, many of which will spoil unless we are able to make some disposition of them to people who need them and will get some value from them.

The next section, 202, is the one which was amended by the gentleman from Minnesota [Mr. Judd] a few moments ago. That section simply gives the President the authority to deal with the situation in friendly nations by disposing of some of these surplus commodities.

I think the proper way to dispose of the major part of these commodities that we may give to hungry people to use the voluntary relief organizations like CARE, CROP, and other agencies that have worldwide organizations set up to deal with people as individuals. Those transactions are not going to interfere with the flow of these commodities in normal channels of trade, for the food that is put into the hands of hungry people is something that would not get into commerce in any event, as these are people not able to buy. I do not know of anything that would better promote the foreign policy of the United States and give us an opportunity to let the world know of the real generosity of the American people than the use of these surplus commodities in that way.

I shall now be pleased to yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. I would like to ask the gentleman if he thinks we will be able to solve this problem of surplus commodities by continuing to get rid of them from year to year through these give-away programs.

Mr. HOPE. No; I certainly do not.

Mr. DAVIS of Georgia. That is what this is, is it not?

Mr. HOPE. These commodity and price-support programs provide for controls, and that is the only way that we are going to prevent the accumulation of these surpluses, through the use of controls existing in the law plus an expansion of consumption and markets. We will get rid of these surplus commodities that have accumulated during the past years. They are the result of the fact that the Federal Government has encouraged an expanding agriculture in this country to meet world conditions existing during the war years and since. You cannot shut agricultural production down like you can close a factory or industrial plant; it has got to be done gradually; it is being done gradually, but in the meantime we have these accumulated surpluses. I say we should make the best use of them and that is the purpose of this bill.

Mr. BARDEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to propound a question of the gentleman from Kansas that has been asked me many, many times and I would like to have an answer.



Are these surplus commodities, such as butter, available to the millions of men that we have in foreign countries all over the world or are the Armed Forces required to purchase in those nations such commodities as butter while our Government owns the same commodity in our own country?

Mr. HOPE. I am glad that the gentleman asked that question because it gives me an opportunity to say to him that the Committee on Agriculture during the present week in the farm bill which we are now considering has included a provision which authorizes and directs the Secretary of Agriculture to make available without cost to the armed services and to the Veterans' Administration the commodities contained in the bill that the committee will report out we hope right soon.

Mr. BARDEN. May I ask the gentleman if he is informed as to just where the Armed Forces have heretofore and up until this very hour been buying such commodities as butter in say France, Belgium, and other countries?

Mr. HOPE. As far as I know, they have bought their supplies in this country. I am sure I am right in my reply to the gentleman although I have not verified the matter in recent days; however, I am sure that the purchases that have been made were made in this country. Of course, the armed services have not been consuming very much butter. They have been buying oleomargarine rather than butter. But under this legislation I just mentioned to the gentleman butter will be made available to them without cost.

Mr. BARDEN. I am in favor of them having whatever their appetites call for whether it be butter or oleomargarine. But the important thing to me is with all the billions of dollars that we have poured into various countries we should have permitted surpluses to buildup for this long time including the surplus in butter paid for with tax money which we have cried so much about, and at the same time the Federal Government was buying more millions of pounds of butter and so forth from foreign countries. Why should we be buying additional butter either in this land or in foreign countries when we have this surplus? Certainly the most of it has been bought in foreign countries. Why do we not utilize that which has already been paid for with taxpayers' money? The commodities that our Government buys in foreign lands certainly do not help our economy and I see no reason why we should not use the surplus commodities we have to supply the millions of men we have stationed all over the world.

Mr. HOPE. I am in entire agreement with the gentleman and the Committee on Agriculture is in agreement on that in the legislation which will be reported later.

Mr. BARDEN. Since it has taken a long time to get an agreement, let us hurry up and pass the bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Iowa.

Mr. GROSS. I think I can shed just a slight amount of light on this situation. Last year there were bought from Denmark alone 5½ million pounds of butter which was shipped to the Far East Command. The explanation was that the State Department insisted upon this purchase of 5½ million pounds of butter from Denmark to implement foreign policy.

Mr. BARDEN. I was not going to bring in any particular department. However, I have heard the same report as that just made by the gentleman and frankly I think the State Department had better begin to give an occasional thought to the American taxpayer. Unless I miss my guess the average taxpayer and businessman would regard such a deal as being silly. There is no doubt in my mind but what over the years, while we were crying about butter and so forth in the legislative halls, the Appropriations Committee of this House was appropriating with the approval of the House additional tax funds to be wasted in foreign countries buying commodities which the United States Government already owns in surplus; then we cry some more about building up more surpluses. It just does not add up to good commonsense to me.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Ohio.

Mr. VORYS. I think the figure is about \$3.5 billion a year that our Armed Forces spend in other countries for supplies for our forces. I cannot tell the gentleman how much of that would be for crops that are in surplus, but it runs about \$3.5 billion a year that we spend all over the world.

Mr. BARDEN. The gentleman does know that we have not been doing what the average American would regard as a commonsense thing to do. Let us give the American taxpayer a little better break.

Mr. COOLEY. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY as a substitute for the amendment offered by Mr. DAVIS of Georgia: On page 12, line 6, strike out section 203.

The CHAIRMAN. The Chair would suggest to the gentleman from North Carolina that that amendment might more properly be offered as a perfecting amendment rather than as a substitute for the amendment offered by the gentleman from Georgia.

Mr. COOLEY. I will withdraw the amendment, Mr. Chairman, and withhold it until we have voted on the Davis amendment. But, I do want to offer it.

The CHAIRMAN. Without objection, the gentleman from North Carolina withdraws his amendment.

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia.

Mr. Chairman, I am not going to use the full 5 minutes, but I do want to say this, that last September and October

my Subcommittee on Appropriations for Agriculture had the opportunity in Berlin and in Pakistan to see just how much good can be accomplished by our giving away surplus foods to the peoples abroad who need it. In Berlin, in 1 day, 6,500 poor people from East Berlin came across the line to our 13 distributing stations to accept the small parcels of our foods which were then being distributed. I can truthfully say that I never saw more real appreciation than that which the gentleman from Iowa [Mr. JENSEN], the gentleman from California [Mr. HUNTER], the gentleman from Wisconsin [Mr. LAIRD], and I saw in the faces of those people. I can remember the expression of one old lady, who whispered to us, "God bless you Americans." She was fearful of being overheard by some Russian spy, but yet she wanted us to know that they did appreciate that food. Distribution of our surplus food is one way in which we can really make friends abroad. There is a vast field open for these perishable surpluses of ours. We should help the 800,000 refugees lining the borders of Israel, who were pushed out of their homes in the creation of the State of Israel, and who are now almost hopeless, living there as they have for the last 7 or 8 years, with very little food to eat. I wish you could have seen the refugee camps at Jericho and Bethlehem. Thousands of human beings there living in absolute squalor and existing upon a very small daily ration of food. By helping these people, as we have helped in Pakistan, we can turn the entire Mohammedan world to us. I am satisfied in my own mind that we can accomplish much worthwhile in our foreign policy by properly, as under this particular section, doing something toward giving away some of the abundance with which we have been blessed.

Mr. Chairman, it is my belief that this bill before us is a splendid piece of work. It will do immeasurable good both in helping others and at the same time in helping us to preserve the price-support program which means so much to everybody in the United States. An ample supply of food is a blessing, and not a curse, as some would intimate. Always keep in mind that it is far better to have too much food than too little.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask questions of the chairman of the committee, and I would like to refer his attention to page 8, section 103 (a). As I understand the operation of our farm program, we now have something like \$6.5 billion in surplus commodities in storage all of which have been purchased by the taxpayers, is that correct?

Mr. HOPE. It is not strictly correct. Part of that is in the hands of the Commodity Credit Corporation and is actually owned by the Commodity Credit Corporation. Another part is in the form of commodities upon which the CCC has loans, all of which may or may not be taken over depending upon whether the loans are paid or not. These are loans to farmers. But there is that much tied



up either in loans or in acquisitions by the Commodity Credit Corporation.

Mr. YATES. Appropriations have been used as the basis for purchasing the product that are stored; is that correct?

Mr. HOPE. Yes.

Mr. YATES. Does not section 103 provide for another assessment against the American taxpayers for the difference between what the products are sold for and the price at which they are carried on the books of the Commodity Credit Corporation?

Mr. HOPE. It simply provides that the Commodity Credit Corporation shall be made whole for the investment that it has in the commodities. We have already, this year, passed legislation to restore the capital stock of the Commodity Credit Corporation and that is what this would do. It would maintain the capital stock at its present level.

Mr. YATES. As a practical matter, is not this the effect of the operation of section 103 (a) and (b), that the American taxpayers would be paying another \$1 billion for these commodities minus the amount for which they are sold on the world market?

Mr. HOPE. Whatever loss the Commodity Credit Corporation suffers, of course, comes out of appropriations, if that is what the gentleman has in mind when he refers to the taxpayers of the country.

Mr. YATES. As a matter of fact, subsection (b) will provide an authorization of \$1 billion to make good any losses that are incurred by the Commodity Credit Corporation in selling these products on the open market?

Mr. HOPE. Yes.

Mr. YATES. And, as a matter of fact, if \$1 billion of these products were given away under title II, then the Commodity Credit Corporation would receive the amount of \$1 billion in order to make itself whole again; is that correct?

Mr. HOPE. Under title II the limitation is \$300 million, and that would be the extent to which money would be necessary.

Mr. YATES. It would be then approximately one-third of a billion dollars under title II, and under title I losses to the extent of the difference, namely, something like \$700 million would be made good for the Commodity Credit Corporation. Does not the gentleman feel that the American taxpayer is being unduly penalized by having a section of this kind in the bill, and should not section 103 (a) be stricken?

Mr. HOPE. No. I will say to the gentleman that it has been the policy of the Congress to maintain the capital stock of the Commodity Credit Corporation intact in order that it may carry out the duties which have been imposed on it by Congress. This simply authorizes appropriations to repay the CCC for commodities which are sold on the world market and the receipts from which have gone into the Treasury.

Mr. YATES. But does not the gentleman agree with me that the \$6.5 billion of surplus commodities we have in storage are not worth \$6.5 billion, otherwise we would be able to dispose of them. Therefore, in disposing of them under

the terms of this bill, the difference would have to be made up by appropriations paid by the American taxpayer?

Mr. HOPE. That is true. But the situation is not changed by this bill. In other words, what the gentleman is saying is that the losses of the Commodity Credit Corporation would have to be made up by the taxpayers; and that is true. And that would be true whether we let these products spoil, or whether we sell them, or whether we give them away or whatever we do with them. The loss, whatever it may be, would have to be made up by the taxpayers.

Of course, this legislation has for its main purpose trying to cut down the losses that the Commodity Credit Corporation may suffer. In title I of the bill we are trying to build up our foreign trade in order to take these commodities not only out of the hands of the Commodity Credit Corporation now, but to prevent in future years such commodities from getting into the hands of the Commodity Credit Corporation; because it is the decline in our foreign trade during the past 2 years that is the principal cause of this accumulation of commodities. A great many people have gotten the idea that this is something that has been going on for years and years. As a matter of fact, this accumulation of commodities in the hands of the CCC has all taken place during the past 2 years. It is due to the loss of our export markets and the fact that throughout the world other nations have been building up their agriculture and we have an overbuilt agricultural plant at this time which we cannot shrink overnight.

Mr. YATES. The gentleman speaks of protecting the Commodity Credit Corporation from loss. As a matter of fact, it is the American taxpayer who is protecting the Commodity Credit Corporation from loss, is it not, and who bear the losses under this program?

Mr. HOPE. I simply make the same reply I made before to the gentleman, that the taxpayers do bear the loss and the major purpose of this bill is to sell some of these stored commodities abroad—over and above our usual trade—so that the immediate loss to taxpayers will be less and a revived and expanded foreign trade may prevent such losses altogether.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia for several reasons. In the first place, I think that this international giveaway program should be charged not to the American farmer, but to the regular Foreign Aid Agency, the Foreign Operations Administration.

The gentleman from Kansas [Mr. HOPE] has put his finger on what is causing these domestic surpluses to accumulate. He says it is due to the decline in the export demand for American farm products, and that decline in export demand is due to the increase in the production of those same products abroad.

Mr. Chairman, putting 2 and 2 together, does it not also stand to reason that the increased production of these

agricultural products abroad, thus causing the surpluses back home, is due principally and primarily to the forty-odd billions of dollars we have given them to teach them how to grow these products in competition with us?

It is my intention if this amendment should fail, and I hope it will not, to offer another amendment which would provide that these products should be furnished to these other countries through the Foreign Operations Administration. In that way, I believe this Congress would be more honest with the people and let them know that this is but part and parcel of our foreign aid program.

The State Department and our foreign trade policies have been responsible for the accumulation of these surpluses, and I think they should take the responsibility for dissipating these surpluses.

Then, too, I am somewhat surprised that the Committee on Agriculture should be sponsoring one of these giveaway bills. The Foreign Aid Committee—the Committee on Foreign Affairs—has had 10 to 15 years' experience in giving away the peoples' money. They know how to do it. The Agriculture Committee is entering a field that it should leave to the real giveaway experts—the Foreign Affairs folks.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield to the gentleman from Kansas.

Mr. HOPE. The Committee on Agriculture is not seeking jurisdiction of any legislation that does not belong to it. The bill that has been reported here was referred to the committee by the Speaker. We have had about 60 bills relating to the disposition of surplus agricultural commodities during the years. Certainly the committee is not going to neglect consideration of bills that have been referred to it.

Mr. WILLIAMS of Mississippi. Any reference that I made to that was intended to be facetious, of course; but as a matter of fact, I do not believe in charging the American farm program with the expense of foreign aid, and that is going to happen if we leave title II in this bill. The Commodity Credit Corporation is going to have to ask for appropriations to make up its loss, and its loss will be due to implementing our American foreign policy—not to money spent on the American farmers.

Mr. HOPE. Will they not have to come in and ask for an appropriation no matter how these commodities are handled as far as distribution is concerned? If they furnish the commodities they are going to have to be reimbursed for them.

Mr. WILLIAMS of Mississippi. They will not ask for this money to help sustain the American farm program, they will ask for the appropriation because the mutual security program dug into their funds and made them show deficits.

I understand the Committee on Foreign Affairs voted recently to restrict all of our foreign aid to military operations abroad and to what they called defense support. I suppose that is just another way of continuing economic aid under the so-called defense support. But the



word went out all over the country that the House Committee on Foreign Affairs had cut out everything except military aid. Now could it be that this administration is seeking to continue its economic aid and its international hand-outs, nevertheless, by doing it through the Department of Agriculture or other agencies in order to conceal from the people the amount of money that we are shipping abroad in the form of gratuities?

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. HOPE. So far as disguising anything or hiding anything, we have this bill before us, and I think that would be a sleight-of-hand performance, which I doubt anybody would be able to carry on.

Mr. WILLIAMS of Mississippi. I just do not believe in disguising the way the people's money is spent.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. HOPE. Mr. Chairman, will the gentleman yield so that I may make a unanimous-consent request?

Mr. SMITH of Mississippi. I yield.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 8 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the amendment.

I take this time in order to make sure there is an understanding on the part of some of the Members of the House that this bill is not designed to cover something that the administration may want to hide. We may have some of that, but I know nothing of it. This bill is written at the behest of the American farmers. It is supported unanimously by farm organizations throughout the United States who are interested in seeing that some proper disposal is made of the surplus commodities that we have.

Of course, this bill is going to cost money. But, as the gentleman from Kansas mentioned in his interrogation, it will cost a lot of money if these commodities are allowed to stay in their present storage and waste away. It will cost even more perhaps than it would if efforts were made to sell these commodities throughout the world, and it would cost more if we disposed of those commodities which are not available for sale through grant and gifts, as is proposed under title II.

Title II, under this bill, is an ideal implementation of our foreign policy at a time when we need some implementation along that line, and at a time when southeast Asia is being lost to the free world. We need to do something about perhaps giving away some food in that area. It is far better to give away several billion dollars' worth of food than it is to give away so many as two or three American lives in defense of that area. If we can save some of those lives

out there by giving away several billion dollars, we will gain quite a bit by the transaction.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. GATHINGS. One of the main propaganda weapons the Communists are using against us today is that we are permitting our food to lay up here in storehouses and rot before giving it to needy and hungry people throughout the world.

Mr. SMITH of Mississippi. I agree with the gentleman. I think this bill will give our foreign policy the necessary implementation to fight that particular piece of Communist propaganda, and to fight it in a realistic manner where it will pay off in immediate dividends.

Unless something is done along that line, we are going to have to fight that propaganda with American lives in Asia. Right now we have lost the initiative and we are losing power and losing influence to the Communists in Asia to such an extent that we are on the verge of having to send American troops to that part of the world to protect ourselves from further inroads of communism. We may have to do that sometime in the future, but certainly we can take advantage of this opportunity to take the one remaining course of action to keep Asia from falling under the domination of the Communists without further loss of American lives. This method will be much cheaper, even in terms of dollars, than the military expenditures that are being suggested now.

We are having to pour into free China and all the various other parts of Asia where we are attempting to build up resistance to the Communists many million dollars for military assistance. If we had had methods to make more effective use of this in the past, perhaps we would not have had to suffer the great loss of American lives and the great loss of American money in Asia that has occurred in the years since World War II.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. DAVIS of Georgia. Does not the gentleman think that \$40 billion is a pretty substantial sum to try out on this basis?

Mr. SMITH of Mississippi. I think that \$40 billion is certainly cheaper than 40 American lives.

The CHAIRMAN. The gentleman from Massachusetts [Mr. McCORMACK] is recognized.

Mr. McCORMACK. Mr. Chairman, I recognize the reasons which prompted title II to be in the bill. Respecting the views of the gentleman from Georgia [Mr. Davis] as I do, I am constrained to disagree with him and vote against the amendment. I think, however, there is a great deal of logic in what he says, and particularly what the gentleman from Mississippi [Mr. Williams] has said, that this is a matter which would more properly be before the House if it came from the Committee on Foreign Affairs, because it relates directly to the field of foreign affairs and covers a subject that the committee has had juris-

diction over in the past. I might say that we do not hear so much about Henry Wallace, but, by this bill, he is in the Chamber today, and what we are doing today out-Wallaces Henry Wallace. This bill is a vindication of views he expressed when he was Secretary of Agriculture.

Mr. DIES. I thought that was Harry Hopkins.

Mr. McCORMACK. Well, the name of Henry Wallace was brought in, and this is certainly in a very more extensive field than Henry Wallace ever proposed.

I might also suggest that the Committee on Agriculture give consideration to our own people in America. The only suggestion I can make by which you can effectively give higher support prices, which I believe in, and yet not make the American consumer pay twice in taxes and high prices, is by adoption of the Brannan plan. I imagine my Republican friends will get to the Brannan plan in the near future.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN of Michigan. I am happy to know that the gentleman agrees now with one of the things that I have supported, that is we should look after our own people.

Mr. McCORMACK. The gentleman from Massachusetts has always been ahead of the gentleman from Michigan in that regard.

Mr. HOFFMAN of Michigan. That is right. Sometimes so far ahead he could not be seen or recognized?

Mr. McCORMACK. I voted today with the gentleman in committee.

Mr. HOFFMAN of Michigan. At last. Mr. McCORMACK. Yes; but I voted with him.

Mr. HOFFMAN of Michigan. At the 11th hour.

Mr. McCORMACK. But you are a much better chairman today than you were last year.

Mr. HOFFMAN of Michigan. Because of your instruction?

Mr. McCORMACK. My inspiration, I hope, is always good.

Mr. HOFFMAN of Michigan. About this pint of milk, does this cover the pint of milk that Henry wanted to give and deliver to everyone in the world?

Mr. McCORMACK. Well, you had better ask the chairman. I want to ask the chairman a question. I would like to ask the gentleman from Kansas about the language in the bill, "to friendly but needy populations without regard to the friendliness of their governments."

Will the gentleman explain what is meant by that?

Mr. HOPE. That is the very language, I may say to the distinguished gentleman from Massachusetts, that was contained in the bill we passed last year to authorize the President to use certain stocks for this purpose. It is intended to apply to situations like we had in East Berlin where there are friendly people living under an unfriendly government.



Mr. McCORMACK. Or in East Germany, if the situation develops where it could be used.

Mr. HOPE. Yes.

Mr. McCORMACK. That explains it to me.

The CHAIRMAN. All time for debate on this amendment has expired.

Mr. DAVIS of Georgia. Mr. Chairman, I ask unanimous consent that the amendment may be read.

The CHAIRMAN. Is there objection to he request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia to Senate 2475 by striking therefrom all of title II beginning with line 11 on page 11 and ending with line 22 on page 12.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 19, noes 65.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 12, line 6, strike out section 203.

Mr. COOLEY. Mr. Chairman, by striking out section 203 you do not change in any way the provisions of section 204 which fixes the amount at \$300 million. I had intended to offer this amendment in the committee but neglected to do so.

The amendment I propose is to strike out section 203. That section is similar to section 513 (b) of the MSA Act which gives to the President \$100 million to do with as he deems proper, and it is the same provision I referred to yesterday which was used by Mr. Stassen to play Santa Claus around the world with his Operations Reindeer program.

This is a clear-cut proposition being submitted to the House by my mendment as to whether or not we here and now want to put our stamp of approval upon this administration's playing Santa Claus throughout the world as Mr. Stassen did in 1953.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. If the gentleman will change that statement from "This administration" to "Mr. Stassen" I could go along with him.

Mr. COOLEY. I have to say "this administration," because the President sent a letter addressed to the gentleman from Illinois [Mr. CHIPERFIELD], chairman of the Foreign Affairs Committee of the House, approving Operations Reindeer. I do not think the President had any idea as to what Mr. Stassen was doing. All of this was transacted on September 28. Unless we adopt this amendment we are saying to Mr. Stassen: We not only approve of your playing Santa Claus but we give you an additional \$100 million to play Santa Claus with come Christmas time 1954.

He might even buy bunny rabbits next Easter.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. I think the gentleman's amendment is a good one. It is high time that we stop delegating power to the executive branch of Government.

Mr. COOLEY. I appreciate the gentleman's observation. I do not think the Congress wants to affirmatively approve projects such as that which was undertaken by Mr. Stassen. It was not a question whether or not these presents were needed; it was just a matter of giving them away. Stassen deprived CARE, which is a very reputable, worthwhile, and worldwide organization, of the opportunity to handle the project or program. He would not even permit them to relieve him of the burden although CARE offered to pay MSA \$5 million. He would only let CARE have 500,000 packages and CARE paid \$500,000 for the 500,000 packages.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. Can it be said if we adopt this amendment that we are still allowing \$300 million with which he can carry on worthy programs under the restrictions that the chairman of our committee pointed out?

Mr. COOLEY. Yes.

Mr. POAGE. It will simply remove the ability of the President to spend \$100 million without any limitation or without any restriction. We set the guideposts to spend the money.

Mr. COOLEY. That is right.

Mr. POAGE. The \$100 million the gentleman refers to is part of the \$300 million?

Mr. COOLEY. Yes.

Mr. POAGE. We are not reducing the ability to spend the \$300 million at all. We just want to know how it is going to be spent.

Mr. COOLEY. Yes. I appreciate the gentleman's remarks.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. TABER. What the gentleman is objecting to is the attempt of the Agriculture Committee in this bill to usurp the privileges of the Foreign Affairs Committee?

Mr. COOLEY. We are not usurping any privileges.

Mr. TABER. You are providing for a foreign transaction in connection with agricultural products?

Mr. COOLEY. No. We are doing a dual job, so to speak. We are dealing with an agricultural surplus. This was not designed with any idea of taking away the jurisdiction of any other committee. I do say though that bills have been sent to our committee that I thought should have gone to the Foreign Affairs Committee, such as the Pakistan wheat bill. I thought that if that had been given to the Foreign Affairs Committee it would not have received a favorable report.

I hope the committee will adopt the amendment which will not hurt or cripple this bill at all.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

Mr. Chairman, I dislike very much to oppose any amendment offered by the distinguished gentleman from North Carolina, who has given very strong support to this legislation, both in committee and here on the floor, whose friendship I have enjoyed and appreciated for many years, and whom I hold in the highest esteem. However, it seems to me if we adopt this amendment we are taking out of a well-rounded bill a provision which might become very important under certain conditions.

I want to call the attention of the Committee to the fact that this provision in section 203 does not increase the total amount of the authorization. The \$100 million that is authorized for this purpose is simply a part of the \$300 million authorized by this title. There is no extra money involved as far as this provision is concerned. But I can see, with the world in the condition in which it is at the present time, with the conditions in southeast Asia as we find them, and with trouble in many other quarters of the globe, that the President might find it helpful and necessary to use these funds in furtherance of the foreign-policy objectives of the United States. This is not something that is left to the discretion of any subordinate official. It is something that has to be done by the President himself.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Indiana.

Mr. HALLECK. I think I can assure the membership of the committee that the President certainly would not make unwise use of the authority that is here contained in the future as in the past. It does seem to me—and I find myself in agreement with the chairman, the gentleman from Kansas [Mr. HOPE]—that occasions may well arise when prompt action under this authority granted here, used with discretion and care, might very well be of the utmost importance to the foreign-policy objectives of our country which are, of course, to restrain Communist aggression and try to work out peace in the world.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to say that in approving Operation Reindeer, the President found that such a project was in the interest of our national security. Talk about giving away Christmas presents. Talk about bottles of milk to all Hottentots. By the defeat of my amendment, you are going to say to Mr. Stassen "Go on with your Christmas presents, not only give \$5 million but give \$20 million; not only use \$15 million but use \$100 million." The President would not hesitate to find that such a project was important to the foreign



policy. He actually found, in Operation Reindeer, that it was important to the national security. I submit, in all fairness, that the President has all the authority in section 204. He has the full use of the \$300 million, and I would not refuse them a dime, but the thing that I do object to is that Mr. Stassen down here ignored such organizations as CARE and other church organizations and charitable associations throughout the world in approving the handling of these surpluses through ordinary channels. I do not believe the people in this world approve it. I do not believe your party approves it any more than our party approves it. And, I want to say again I regret that we did not fight this out in the committee. This committee bill was considered under severe difficulty, since we were pressed for time. I do insist, in all good faith, that it is not going to handicap the program; it is not going to embarrass the President, and to accept my amendment will save this administration further embarrassment when Christmas time rolls around next year.

Mr. HOPE. In reply to what the distinguished gentleman just said, I must point out that that section 203 is needed in that it is expected to operate outside of the restrictions contained in the other sections of this title in that it says, "without regard to the requirements of this title," this fund may be used "when the President deems that this use is important to the foreign policy objectives of the United States." I think it is most desirable to keep this section in the bill for that reason and in order that we may have a well rounded out program.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I simply want to call attention to the fact that there are three classes of disposition provided for in this bill. First, there are the provisions which authorize the sale of surplus commodities for foreign currencies. Many of us have thought for a long time that it would be advantageous to the United States Government to sell some of the surplus commodities that we have even if we had to take foreign currencies and then use those currencies for the various purposes which are outlined in this bill. Personally, I would like to have used the currencies with less restrictions than the bill provides, but there are those who felt it was desirable to apply those restrictions. They had some good arguments. We put many restrictions on the sale of a billion dollars' worth of commodities, which the bill provides may be sold for foreign currencies. That title of the bill clearly is advantageous to the United States. Nobody is questioning it. I do not think anybody has gotten up and said it was bad policy to sell these things which we cannot sell for dollars, which we cannot dispose of otherwise, but which we can sell for foreign currencies. Now, that is where the billion dollars is involved in title I.

Then we come to title II. Title II involves \$300 million and proposes to give away \$300 million worth of commodities; no compensation to the United States other than the satisfaction that we have

done something for the welfare of the world.

Just a moment ago it was obvious that a substantial number of the Members of this House believed we should not go that far, that we should not give away any of these commodities. Many Members evidently feel that we should eliminate the entire title II. Personally I felt it was sound. I voted against the Davis amendment because I felt it is proper, if we had to dispose of these commodities either for dollars or for foreign currencies, and we have the commodities on hand, and somebody needs them, in case of famine or disaster, that the United States Government should give some of these things to people who need them.

I am not criticizing title II; but there are a substantial number of Members of this House who would not even go that far.

Now the third procedure is set out in section 203. This section provides that one-third of the \$300 million covered by title II may be given away without any restrictions whatever. In answering the argument offered by the author of the Davis amendment, the chairman of our committee very properly pointed out, and I think very convincingly, that there are restrictions in this bill, criteria, by which the President must proceed to say that these gifts shall be made only in case of famine or in case of necessary relief. In other words under the general provisions of title II we are not going to give these things to people who can pay for them. We are not going to give these things to people who do not need them. We are not going to give these things in situations where we can sell them. That is proper. That is in section 201.

But we come along to section 203 which says, "but that does not count as to \$100 million." All that the amendment which the gentleman from North Carolina [Mr. COOLEY] offered would do is to say that the rules of the game apply to all of the \$300 million. That is all there is to it. It does not take \$100 million away from title II. It does not say that you cannot give these things to any needy person or that the President will not be able to control their disposal. Section 201 says that the President shall prescribe rules. But section 203 says that he does not have to abide by the rules—at least insofar as \$100 million is concerned.

All we ask is that you do these things according to the rules. All we ask is that when we are giving away, when we are making gifts, that we give them to somebody who needs them, that we give them to somebody who is in need, that we give them away in case of famine or to meet other relief requirements. That is all taken care of in section 201 and we are leaving that in the bill. Why should we not make some provision that we simply will not throw away \$100 million? Maybe it is not much money, but it is an awful lot if you have to pick cotton for it.

[Mr. GATHINGS addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and upon a division (demanded by Mr. COOLEY) there were—ayes 29, noes 62.

So the amendment was rejected.

Mr. TOLLEFSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON: On page 11, line 19, after the parenthesis strike out "f. o. b. vessels in United States ports."

Mr. HOPE. Mr. Chairman, I make the point of order that the amendment is not germane in that it extends the scope of authority which is given the Commodity Credit Corporation under this bill. The committee has very carefully drafted this bill to limit the obligation of the Commodity Credit Corporation to the delivery of commodities to the President or to agencies designated by him in this country. If the amendment were adopted, it would mean that the obligation of the Commodity Credit Corporation would be to furnish transportation anywhere in the world we might ship these commodities and make delivery outside the United States.

I think there are plenty of decisions that hold that an amendment is not germane simply because it may be related to the subject matter. This amendment greatly increases the scope of the authority given the Commodity Credit Corporation. I call the attention of the Chair to the fact that there are cases which hold that an amendment which relates to commerce between the States is not germane to a provision that relates to commerce within the States.

I should like further to cite the case which is contained on page 484 of Cannon's Precedents, volume VIII.

In this particular situation the language in the bill was that no producer, manufacturer, or dealer shall ship or deliver for shipment in interstate commerce a product of any mine or quarry situated in the United States which has been produced in whole or in part by the labor of children under the age of 16 years.

Mr. J. Hampton Moore, of Pennsylvania, offered the following amendment:

After the word "States", insert a comma and the words "or any foreign country."

The point of order was made that the subject under discussion related exclusively to interstate commerce, and that the amendment, therefore, was not germane in that it proposed to add the products of foreign commerce.

In the discussion which ensued, the gentleman from Kentucky, Mr. Swager Sherley, submitted the following:

Mr. Chairman, I desire to be heard before the Chair makes a ruling along those lines, because the Chair will find a long line of precedents in rulings by Speaker Carlisle and Speaker Reed and several other distinguished Speakers holding that where the effect of striking out words is to change the scope of the bill it is not in order.

The Chairman said:

Upon reflection, the Chair thinks the gentleman from Kentucky is correct.



The CHAIRMAN. Does the gentleman from Washington desire to be heard?

Mr. TOLLEFSON. Yes, Mr. Chairman. I do not think the point of order is well founded. This bill provides for the disposition of agricultural surplus products to foreign nations and involves necessarily the transportation of those surplus farm products from the point of their existence in the United States to the point of their destination abroad. The language of the present bill gives the President authority on page 6, line 21, and I read, "and shall make funds available to finance the sale and exportation of surplus agricultural commodities."

That is contained, of course, in section 1, but it is in the bill, and it gives the President authority to finance the sale and to finance the exportation which would exclude the transshipment of products not only in the United States but on vessels to carry them abroad.

I might say to the committee, Mr. Chairman, we have had similar legislation such as this before the House on previous occasions, and on every one of those occasions in every one of the bills which was considered by the House, we offered an amendment which the House approved which provided that 50 percent of all the cargoes should be carried in American-flag vessels. May I say further, Mr. Chairman, that the amendment which I have offered does not preclude the FOA or the Commodity Credit Corporation or the President himself from doing exactly what this bill would provide. It simply makes it possible for the President or the FOA or the Commodity Credit Corporation to make such arrangements as they deem advisable to see that some of the products are sent in American-flag vessels. But, it does not make it compulsory upon any of these agencies to see to it that substantial portions of cargo are carried on American-flag vessels. As I say, we have acted on this same or similar type of amendment on other bills, and it seems to me that the point of order is not well taken.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. COOLEY. Just what is the purpose of the gentleman's amendment, if it is not to do just what the chairman of the committee suggested, and that is to enable the administration or the administrator to pay ocean freight? That is taking us into the field of foreign commerce where the Commodity Credit Corporation has never been permitted to go heretofore.

The CHAIRMAN (Mr. Ford). The Chair is prepared to rule on the point of order. It seems to the Chair that the discussion now taking place goes to the merits of the amendment offered by the gentleman from Washington.

The gentleman from Washington [Mr. TOLLEFSON] has offered an amendment striking out the words "f. o. b. vessels in United States ports" in line 19 on page 11 of the bill.

The gentleman from Kansas [Mr. HOPE] has objected on the ground that

it is not germane to the bill under consideration.

It seems to the Chair, on the basis of section 204 of the bill, and other related portions of the bill which deal with the question of transportation of the commodities which are involved in this legislation, that the amendment offered by the gentleman from Washington [Mr. TOLLEFSON] is germane; and the Chair so rules.

Mr. TOLLEFSON. Mr. Chairman, I have another amendment at the desk which deals with this same subject, and the House will have to either approve or reject both, and for that reason I ask that the other amendment be read and that the vote on the two amendments be considered at the same time and that I have an additional 5 minutes.

The CHAIRMAN. The Clerk will read the second amendment.

The Clerk read as follows:

On page 15, line 10, after the word "delivery" strike out the words in lines 10 and 11 "free alongside ship or free on board export carrier at point of export", and insert the words "the point of destination."

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. HOPE. Mr. Chairman, I dislike to object to the request, but the amendments which the gentleman has offered cover exactly the same point, and he can make the same argument for both amendments as he would for one, so that it does not seem to me that he would need more than 5 minutes to discuss them. We have been going along without any limitation, and I think it is going to be necessary to conserve time, as I understand there is other business to come before the House. I think under the circumstances I shall be constrained to object.

Mr. TOLLEFSON. If the gentleman will withhold that for a moment, I can offer each amendment separately and get 5 minutes on each one of them. I do not take up much of the time of the House on any of these bills. This is of sufficient importance to the people of the United States to be considered by this committee and to be heard by this committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. HOPE. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Washington is recognized in support of his amendment.

Mr. TOLLEFSON. Mr. Chairman, since I have been in Congress I have supported our farm program not primarily because it helped the individual farmer but principally because it was in the national interest. Likewise, I have supported the merchant marine policy of the Congress of the United States, not because it was in the interest of some individual seamen or individual ship operators or owners, but because it was in the national interest.

The Congress of the United States has set and fixed a merchant marine policy. Back in 1920 we passed the Merchant Marine Act, which provided it was the

policy of the United States to have a merchant marine sufficient in size to carry the bulk of our foreign commerce and to act as a military auxiliary in times of emergency.

In 1936 we passed another merchant marine act, supplanting that of 1920, in which the same policy was announced except that the word substantial was used in place of the words the bulk of our commerce. That policy has been followed by this Congress on a number of occasions, starting with the Economic Cooperation Act of 1940, to which we offered an amendment to provide for a 50-50 carriage of foreign cargoes in American ships. We did the same thing in the Foreign Aid Act. We did the same thing in the Yugoslavia Relief Assistance Act; also with the Indian Emergency Food Aid Act of 1951.

Also with the Mutual Defense Assistance Act of the 81st Congress. Also the Mutual Security Act of 1951, the 82d Congress. Also the Pakistan wheat bill of last year. Now the Congress has spoken definitely. On several occasions this point has been presented to us, and we have specified in these relief acts that 50 percent of the cargoes be carried in American-flag ships, proposing thereby to effectuate and implement the Merchant Marine Act of 1936.

I said here on the floor of the House when we had the appropriation bill for the Defense Department under consideration that if all we did this year in our defense effort was to enact that bill we would not be doing enough in our defense effort. I based that on a statement made in the testimony before our committee from representatives of the Defense Department, one of whom was Admiral Leggett, Chief of the Bureau of Ships. He made this most remarkable statement, he said:

The most vulnerable area of our whole defense effort promises to be the condition in our shipbuilding industry.

He was not primarily concerned about work in the shipyards; he was thinking about how to get ships we would need in an emergency.

Prior to World War I and prior to World War II we had so neglected our merchant marine that we did not have anywhere near the number of ships needed. How much longer the war was prolonged because of that no one will ever be able to say with accuracy, but we had to do all sorts of things to get the shipping we needed at the cost of untold extra dollars to build the ships in a hurried way to do the job which needed to be done.

The Defense Department recognizes the importance of the American merchant marine. You can have either a private merchant marine or you can have a Government-operated merchant marine. You are now in the process of building a Government-operated merchant marine through the MSTs where the Government assumes all the cost; but under the private merchant marine at least part of the cost is borne by private owners. You can have one or the other. We should do what we can to help the American merchant fleet in or-



der not to have it entirely Government owned and operated.

This Congress has year after year endorsed this policy definitely. The Committee on Agriculture seeks to circumvent it by inserting the language which this amendment seeks to strike.

I ask that this amendment be approved.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. BONNER. Mr. Chairman, I object.

Mr. DIES. Mr. Chairman, reserving the right to object, what is the rush about this? We have been coming here for 6 months spending half our time doing nothing; then some bill of importance comes up and the chairman of the committee steps in with terrible haste to dispose of it.

Mr. HOPE. The chairman of the committee is simply trying to expedite the proceedings of the Committee without in any way interfering with the proper transaction of matters before the Committee.

Mr. BONNER. Mr. Chairman, reserving the right to object, I admire the gentleman from Kansas very much, and I want to cooperate with the gentleman in his agricultural legislation; but the gentleman from Washington has the responsibility of being the chairman of the Merchant Marine Committee of the House which has been a hard job for some time.

This is a very vital question about the American merchant marine. I certainly want 5 minutes, and I think probably some other members of the Merchant Marine Committee of the House would like to have an opportunity to say a few words about it.

Mr. HOPE. I certainly want to work with the gentleman and at the same time expedite this as much as possible. Would the gentleman object to a limitation of 15 minutes?

Mr. BONNER. Just as long as I have my 5 minutes, Mr. Chairman.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes, the last 3 to be reserved to the committee.

Mr. BONNER. Mr. Chairman, reserving the right to object, do I understand that I am to have 5 of the 15 minutes?

The CHAIRMAN. The gentleman from Kansas has asked unanimous consent that all debate on this amendment close in 15 minutes, the last 3 to be reserved for the committee, the remainder of the time to be divided among the Members standing on their feet.

Mr. BONNER. I do not like to object, but I was on my feet asking for recognition to support the amendment when I yielded, or if I did not yield, the request was made. Therefore, I would be constrained to object unless I am assured of 5 minutes.

The CHAIRMAN. Objection is heard.

Mr. BONNER. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, the chairman of the Merchant Marine Committee has made a splendid statement with respect to the amount of merchant-marine participation and the importance of it to our

national defense. In furtherance of what he has said this House should go back and look at the picture of 10 or 15 years ago, say just after World War II.

At that time we found ourselves in the position of owning practically all the bottoms afloat. We practically controlled all the ships in the world. But in a generous spirit we passed the Ship Sales Act, selling not only to the citizens of America at one-third of the war-built cost a number of vessels that were necessary to carry out the war effort and to successfully win the war, but we also sold to friendly nations American war-built vessels under practically the same conditions.

It is a difficult problem to operate our merchant marine in competition with foreign vessels unless we have some legislation here in Congress to protect the American merchant marine. All other countries protect their flag vessels. All other countries give preference to their flag vessels.

All we are asking here, when we are giving away, and selling on credit, disposing of valuable property, is that our American merchant marine have only fair participation in the carrying of goods that we are so generously giving to other people, and goods that other people certainly need. It is a fair request.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. The gentleman is making a very fine statement about the amendment but, as I understand it, the amendment does not even require 50 percent. All it asks is that it be permissible for the American merchant marine to carry some of these products.

Mr. BONNER. I appreciate the gentleman's contribution. I understand the amendment does not request that 50 percent of the freight be carried in American-flag vessels. It should. The amendment should be to that effect. All you gentlemen who are interested in the man who works and the man who goes to sea, the American labor on our vessels, should be aware of the fact that that American labor is being discriminated against every day a ship sails out of New York, or any other port in America, with foreign seamen. It costs us about three times as much to man a ship as it does any other nation in the world and, as the chairman of our full committee says, you are going to either pay directly for this part of our national defense, the American merchant marine, or you are going to subsidize it so that private industry can operate it as economically as possible and make us proud to have our American flag sail the high seas and go into every port in the world. I think it is, as I started to say, with little grace, but I will not, because I think when this House seriously thinks over this problem that the chairman of the full committee and the ranking member of the committee from my side are going to realize the responsibility that those of us have who work so diligently on the Committee on Merchant Marine and Fisheries trying to keep the American-flag ships on the high seas. I ap-

peal to you Members of the House to help the American merchant marine, which is so necessary in the event of an emergency. You cannot move an army without it. That has been testified to by the highest-ranking naval officers.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, just how does this language restrict the movement of our merchant marine?

Mr. BONNER. The gentleman certainly is not that naive. Certainly you understand that this is going to bring about an increase of ocean commerce, it is going to bring about a lot of business in the shipping industry. Certainly we would like to have a portion of it.

Mr. COOLEY. As I understand, it says we pay the freight f. o. b. vessels in United States ports.

Mr. BONNER. Of course. But you know that the State Department and these various aid departments and groups that we have set up to handle relief can influence the carrying of the cargo, even though we have a percent division. Why, those who operate private vessels on the high seas had to fight always to get 50 percent of the cargo provided for in former legislation. I do hope that the sound-thinking members of this Committee on Agriculture will at least reconsider the fair request made in this amendment.

I do not anticipate nor is it necessary that we pay ocean freight. We only ask that a portion of the cargo be loaded and shipped in American-flag vessels.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, with the last 3 minutes reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. RIVERS. Mr. Chairman, I object if we cannot get 3 minutes.

Mr. HOPE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, in the 2 minutes which the committee so generously has given me, I cannot say very much, and I have been here for quite some time. I thank you for your consideration.

Mr. Chairman, I want to say a word in behalf of the amendment offered by the gentleman from Washington [Mr. TOLLEFSON]. If there is anybody who knows the plight of our merchant marine, it is the gentleman who now heads the Committee on Merchant Marine and Fisheries. I happen to be a member of the Committee on Armed Services. We know the plight of our private shipping business from the shipyards to the operation. I happen to be the sponsor of a bill which is designed to construct 20 fast-moving tankers to keep up with our fleet, because we just do not have them. It is unfortunate that when one speaks for America, he is in the minority in this House so frequently. I do not understand why there is the slightest bit of



equivocation on the part of those in authority in accepting such a temperate amendment as this. The trouble with the amendment is that it is too temperate. It should read that 50 percent of this giveaway program should be carried in American ships. During World War II we built 6,000 ships. We built 50 million tons of shipping.

Do you know that when we found ourselves in World War II, we had no Merchant Marine, and the price of shipping under foreign flags went up 2,500 percent to Uncle Sam when he shipped his products in those ships, because we had none? It is incredible to me that this committee should take any position other than the one which demands that these products be carried in American bottoms. We have here the hideous spectacle of one speaking in behalf of his country, speaking in the minority, if we do not take affirmative action on the gentleman's amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

As a member of the Armed Services Committee, I think we realize the great importance of our merchant fleet to our national defense. We have gone over this problem many times and anything we can offer to stimulate our merchant fleet, which is truly an auxiliary of the Armed Forces, should be accepted.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise in support of the amendment of the gentleman from Washington [Mr. TOLLEFSON]. I approach this matter from a slightly different angle. If we are going to have a merchant marine that will supplement and give logistic support to our forces in time of emergency, we must have the know-how that goes with a merchant marine. A merchant marine is not just ships. It is the terminals, it is the docks, it is the facilities, it is the tugboats, it is the lighters, and above all it is the people who know how to operate these facilities. It is the officers and men who can operate our merchant ships.

What happened during World War II? Every day, on the radio, appeals went out for men who had tickets—licenses as officers in the merchant marine, to report for available duty. They were told to telegraph the Merchant Marine Commission in Washington and they would immediately be put on the payroll. This shows how badly we needed these men. The standby cost was great.

What has happened since? We have dissipated all of the experience we built up during the war. We closed our maritime schools where we used to train merchant-marine officers, because we said that they were too expensive and there was not sufficient demand for them, and there was not sufficient demand for them because we did not have

the merchant marine in which properly to utilize them.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Virginia.

Mr. HARDY. Mr. Chairman, I should like to commend the gentleman for the argument he is making. I think it is a sound argument and I want to associate myself with him in support of this amendment.

Mr. MILLER of California. I thank the gentleman.

I want to reiterate what General Devereux said. We on the Armed Services Committee, who are familiar with this problem, know of its importance; we know that if we are going to continue to have a merchant marine in this country we must look to it now and not some time in the future. I sincerely hope that the amendment offered by the gentleman from Washington [Mr. TOLLEFSON] will be approved. It will stimulate not only the seagoing phase of our merchant shipping, but those all important and indispensable ancillary services so important to our merchant marine.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ALLEN].

Mr. DORN of New York. Mr. Chairman, I ask unanimous consent that the time allotted to me be transferred to the gentleman from California [Mr. ALLEN].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ALLEN of California. Mr. Chairman, I would like to say just a few things which I think are factual and which I think the Committee might like to have in mind in considering this matter.

I rise in support of the amendment of the gentleman from Washington [Mr. TOLLEFSON]. The reason that amendment is important, as I see the situation, is this: under the language of the bill, the control of the handling of the cargoes beyond the shores of the United States stops at the shores of the United States. We are interested in having cargoes for American ships. Cargoes and passengers are needed if we are to have operating ships.

Let me say one or two words about the need for ships. In testimony about a year or more ago, Admiral Wilson said that the present American merchant marine is deficient in ships needed by the military for the initial effort in an emergency, by between 160 and 200 ships. The testimony a few days ago of another high-ranking official of the Navy was that that statement is still a correct appraisal of our present situation. We now find the American merchant marine, a necessary part of a war effort, short by approximately 200 ships of the number needed for that initial effort.

Let me say one thing about the difference between ships in the laid-up fleet and ships at sea. We had a bill before our committee which concerned the *President Wilson* and the *President Cleveland*, which are passenger ships

operating on the Pacific Ocean. An officer from the Transportation Office of the Navy appeared on behalf of a bill which would keep those ships in the hands of private operators. I said, "Don't we have similar ships, P-2 transports, in the laid-up fleet?" He said, "Yes, we do." I said, "If you had to evacuate civilians from a Far Eastern port, how long would it take you to get the *President Wilson* or the *President Cleveland* under the control of the military?" The answer was "About 90 minutes or less," because the procedure was merely to send a wire to the operating company to requisition the ship for use.

I said, "But how long would it take to get that transport into use if you took it from the laid-up fleet?" He said, "About 90 days." I said, "The difference in availability between a ship at sea under operation by a private operator and a ship taken from the laid-up fleet is the difference between 90 minutes and 90 days?" He said, "Yes."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of California. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is not the purpose of this amendment to require that the United States Government pay the ocean freight on all the commodities we ship under this program?

Mr. ALLEN of California. The gentleman is 100 percent wrong.

This is the situation: When we operate ships under the American flag we can compete with the foreign-flag ships in every situation except one: If we wish to pay an American citizen an American standard of living we can get him to go to sea. If we want to pay him a foreigner's standard of living he will stay home, where he sensibly should, and earn an American standard of living.

If we need ships in wartime and if they had been, for example prior to the last war, manned by Japanese or Germans, how much use do you think they would have been to us once the emergency had occurred?

If we are going to have an American merchant marine worth anything to us in an emergency period, we must have an American merchant marine manned by American seamen, and they will not work for less than an American standard of living.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, we have all listened to the distinguished members of the Committee on Armed Services. I am in full accord with them as to the value of the Merchant Marine. I do not think anybody questions the value of a merchant marine. But the question is solely, Who is going to pay for it?

Through this amendment the demand is made that the Commodity Credit Corporation pay the subsidy for maintaining a merchant marine. I voted to subsidize the merchant marine and I will do so again, as far as I know, if the committee will bring in a straight bill simply providing whatever subsidy is necessary to maintain an adequate mer-



chant marine. I know we need a merchant marine and I know that we must pay for it. If they will bring in a straight bill here and make that the issue before this House, I am sure we will all support it, but the payment of the needed subsidy for a merchant marine is not the issue presented by this amendment. The spokesman for the merchant marine are not bringing in their bill. They, like the cuckoo that comes in and lays her egg in some other bird's nest are trying to make someone else carry the cost. They try to attach their agency like a blood-sucking leech to the Department of Agriculture and make the farmers of America pay the bill for the merchant marine.

Now a bill for the merchant marine is a perfectly legitimate bill. Nobody is questioning that. But let us charge this subsidy where it ought to be charged. That is the only question involved. The question is, Why should either American agriculture or American charity pay the subsidy necessary to maintain a necessary arm of national defense. If national defense needs a merchant marine, and I am ready to agree that it does; let us charge the bill to national defense. When we come to maintaining our army camps and when we come to buying airplanes, we do not try to charge the bill to the education system of the country, we charge it to national defense. This merchant marine, we are told, is a military necessity. I am not questioning that. But if it is a military necessity, then let us see its advocates come out and openly and frankly ask for a clear-cut appropriation to pay the bill. Surely, the spokesman for the American seamen and ship operators do not need to try to get a free ride at the expense of either the American farmer or of the victims of foreign famine.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Washington. Specifically, I would like to emphasize the fact that this is simply a permissive measure which would allow these agricultural products to go on our American ships.

When the members of the Committee on Agriculture think of surplus farm products, I am sure they have in mind the protection of individual American farmers. By the same token, when I listen to their arguments in favor of this legislation, my mind sees idle American merchant ships and, in particular, the American crews whose livelihood must come from following the sea.

It seems to me that the prohibition of American ships to distribute surplus farm products is rank discrimination against American seamen in favor of low-wage foreign crews. I cannot see the consistency in subsidizing a merchant ship, and then saying you cannot use it.

I am for the amendment introduced by the gentleman from Washington because of its relation to the National Defense, but even more so because without his amendment the legislation discriminates against American seamen. Then,

too, this is a foreign aid bill and I cannot see the justice of putting the double burden of one class—American seamen.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TOLLEFSON. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. TOLLEFSON. Is it not true that my amendment does not compel the Commodity Credit Corporation or anyone else to pay the cost of shipping, and that it makes it permissive, however, to do so, and it would enable the Commodity Credit Corporation or the FOA or the President to require payment of transportation by the recipient nation?

Mr. PELLY. The gentleman is exactly right, and that is the point I was trying to emphasize. I think the statement he made in presenting this amendment is one of the strongest and finest statements I have ever heard in the well of the House.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. DORN of New York. Does the gentleman know that the Committee on Merchant Marine and Fisheries of the House is unanimous in its support of this amendment?

Mr. PELLY. I did not know that.

Mr. DORN of New York. There is no one on that committee who is opposed to this amendment.

Mr. PELLY. I know they have the interest of our merchant marine at heart. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I would like to propound a question or two to the author of the amendment. I made the statement awhile ago indicating I am under the impression that the purpose of the amendment, the real purpose, is to require the American taxpayer to pay the ocean freight, and to charge it to the Commodity Credit Corporation as part of its operations. If I am wrong, I would like to be corrected.

Mr. TOLLEFSON. The gentleman is wrong. That is not the purpose of the amendment.

Mr. COOLEY. What will be accomplished by the amendment?

Mr. TOLLEFSON. It is possible by my amendment that the Commodity Credit Corporation or the FOA or the President of the United States would provide American funds for the transshipment of the cargoes, but it does not make it mandatory. It is entirely possible, however.

Mr. COOLEY. No, no; I did not say it makes it mandatory, but if you strike out "f. o. b., United States ports," then you may make it f. o. b., foreign ports.

Mr. TOLLEFSON. No; you do not.

Mr. COOLEY. No, not necessarily, but I say it could happen and that is the only advantage that could possibly inure to our merchant marine. You admit it will cost us three times as much to use our own ships as it would to use foreign ships.

Mr. TOLLEFSON. It would not cost three times as much in freight charges. If it was carried on the regular lines, it would cost the same. If it was carried on transship, it might cost a little less than on foreign ships—that is true.

Mr. COOLEY. On the other hand, it would require us or at least permit the administration to pay the ocean freight on foreign ships.

Mr. TOLLEFSON. It would permit them to do so, but I do not think our Government would pay any ocean freight on foreign ships.

Mr. COOLEY. Certainly, why not?

Mr. TOLLEFSON. Because we have American-flag ships.

Mr. COOLEY. If I may make just one observation. You and your associates have already argued that the State Department would prefer foreign ships to our own American ships.

Mr. TOLLEFSON. No, the State Department will not administer this program. It will be administered by the Commodity Credit Corporation, the FOA, and the President, and all of them will observe the 50-50 provision in the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE] to conclude debate on the pending amendment.

Mr. HOPE. Under the language now in the bill, the responsibility of the Commodity Credit Corporation for paying freight is limited to vessels in United States ports. If this language is stricken from the bill, it will do away with that limitation. Having been in the bill and then stricken from the bill, it would be interpreted as congressional intent that the Commodity Credit Corporation should pay the transportation charges on ocean freight. I do not see how it could be construed in any other way. The reason we have this provision in the bill, the reason we have had it in previous legislation, is because in most cases which will arise under this situation the recipient countries will either pay the freight directly by using their own vessels or they will be able to acquire foreign currency of one kind or another and pay the freight in that way. Certainly, as long as we are donating the commodities the recipient countries ought to be willing to pay the freight. If you strike this language from the bill, then of course we are saying, "We are not only giving you these commodities but we are going to deliver them at your ports." I do not believe that is what we want to do. There has been considerable talk in the discussion of this bill about economy. If you want economy, here is a chance to get some economy. I do not want anything I have said to be construed as being in any way critical of the Merchant Marine. I have supported Merchant Marine, and will continue to do so, but in this case I do not believe we should strike out this language and carry the implication if not the declaration that the Commodity Credit Corporation should pay not only the transportation to seaboard but the transportation to those countries which are receiving these commodities.

Mr. TOLLEFSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.



Mr. TOLLEFSON. Will the chairman of the committee name one relief bill which carried the language that is contained in this bill?

Mr. HOPE. Previous bills reported by our committee relating to transportation of commodities owned by the Commodity Credit Corporation have stopped at the water line in this country.

Mr. TOLLEFSON. Not in one bill. You name one.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

The question was taken; and on a division (demanded by Mr. TOLLEFSON) there were—ayes 56, noes 57.

Mr. TOLLEFSON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. TOLLEFSON and Mr. HOPE.

The Committee again divided, and the tellers reported that there were—ayes 79, noes 86.

So the amendment was rejected.

Mr. HOPE. Mr. Chairman, I wonder if we can agree upon a limitation of time for the further consideration of the bill? I am going to suggest 40 minutes, and I make that suggestion with the thought in mind that although there are a number of amendments yet to be offered, I think most of them are noncontroversial and I believe it would be entirely possible to give sufficient time to discuss the controversial amendments and still conclude in 40 minutes.

Mr. DIES. Reserving the right to object, on what? On the bill?

Mr. WILLIAMS of Mississippi. Mr. Chairman, reserving the right to object, how far does that extend? To the entire bill?

Mr. HOPE. The gentleman from Kansas will restate his request.

Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto close in 40 minutes.

Mr. BAILEY. Mr. Chairman, reserving the right to object, I have been sitting here for 3 hours now waiting to offer an amendment. Much time has been devoted to other amendments. At this time I do not think there is such an emergency that we cannot go ahead and give the same consideration to all amendments which apparently has not been limited in the past.

Mr. DIES. Mr. Chairman, may I suggest that the gentleman withhold his motion for a little while? I think we can dispose of some of these amendments pretty shortly.

Mr. HOPE. I think most of these amendments are noncontroversial and we can dispose of them expeditiously.

Mr. DIES. I suggest the gentleman withhold his request for a little while.

Mr. HALLECK. Mr. Chairman, we have a conference report on an important appropriation bill scheduled for this afternoon that we have been holding up. As we quit last night I thought we could wind up this bill in an hour, but apparently we have developed a lot more amendments overnight, as frequently

happens. The gentleman from Texas has an amendment that he will want to talk on, but I know his capacity is such that he can explain it in 2 minutes so that Members will either vote for it or against it. For certain personal reasons, all I am suggesting is that I hope we can conclude in 40 minutes. I think everyone will have a fair opportunity to present his amendment and we can dispose of them.

Mr. BAILEY. Mr. Chairman, I make the point of order that the motion of the gentleman from Kansas is not in order. There has been no debate on a pending amendment and it is not in order under the rules of the House for him to offer such a motion.

The CHAIRMAN. The gentleman from Kansas has made the suggestion that there be a time limitation. There is no amendment pending.

Mr. BAILEY. Mr. Chairman, unanimous consent would have to be given. If there is any objection a vote cannot be forced on the matter.

The CHAIRMAN. A motion would be in order if the gentleman from Kansas so desires.

Mr. HOPE. Has there been objection to the unanimous-consent request?

The CHAIRMAN. The Chair will put the request, if the gentleman from Kansas makes it.

Mr. HOPE. The gentleman from Kansas asks unanimous consent that all debate on this bill and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. WILLIAMS of Mississippi. Mr. Chairman, reserving the right to object, I would like to ask if we have business scheduled in the House for Friday?

Mr. BAILEY. Mr. Chairman, a parliamentary inquiry.

Mr. WILLIAMS of Mississippi. If not, what is the rush on getting this bill through?

Mr. HALLECK. Mr. Chairman, further reserving the right to object, there are a number of rules outstanding that could well be brought up on Friday. That is a matter to be determined when we learn what we have for next week. Tomorrow morning it is expected we will come in at 11 o'clock and dispose of the matter of sending the housing bill to conference. I assume that will take 2 or 3 hours, maybe longer.

Mr. WILLIAMS of Mississippi. Is it the intention of the gentleman to schedule business for Friday?

Mr. HALLECK. At the moment it is; yes, sir.

Mr. BAILEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BAILEY. Mr. Chairman, do not the rules provide this can be done only by unanimous consent and not by motion unless there is an amendment pending?

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. BAILEY. Mr. Chairman, I still think the rules are not being followed in that you cannot force a vote on this.

You must do it by unanimous consent, but you cannot force a vote unless there is an amendment pending.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. DIES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIES:

On page 16, after line 18, insert a new section 305, which shall read as follows: "Notwithstanding the provisions of titles I and II of this act, the President shall not sell or transfer any surplus agricultural commodity to any nation unless upon careful investigation he determines (1) that the sale or transfer of such commodity to such nation will not enable such nation to export some commodity or product to the U. S. S. R. or to any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement, or (2) the sale or transfer of such commodity will not create, maintain, increase, or stimulate trade between such nation to whom the sale or transfer will be made and the U. S. S. R., or any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

[Mr. DIES addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DIES].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 64, noes 45.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 10, line 5, after the word "appropriate", insert a period, and the following: "Goods, services, or foreign currencies may be accepted in payment of such loans."

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota for 3 minutes.

Mr. JUDD. Mr. Chairman, this is the amendment that was removed at the request of the gentleman from West Virginia [Mr. BAILEY] from the group of amendments that was offered en bloc yesterday.

What it provides is that when foreign currencies are received from the sale of surplus agricultural commodities, the currencies may be used by our Government to make loans where they can be used to further the purposes of the act. The Government may agree with the borrowing country to have the loans repaid in goods or services as well as in their own currencies.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. Yes.

Mr. GROSS. For instance, what services would we get?

Mr. JUDD. We could get shipping, for example, which otherwise we might have to pay for in our own currency. Or we might get the use of facilities



in the countries where these loans are made. They could agree to provide local personnel to work in an American agency or operation, even to carry on menial labor, anything of that sort.

Mr. GROSS. In other words, we would be displacing American labor in American industry?

Mr. JUDD. No. It would all be in foreign countries. It would not be in this country. The services would be services rendered in the countries where the foreign currencies are loaned.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. AUGUST H. ANDRESEN. When the gentleman refers to goods, does the gentleman mean that that would include pottery and bicycles and tobacco and things of that kind produced in those countries?

Mr. JUDD. Anything that could legitimately be imported into the United States might be included under this amendment, to be sure. But most, if not all, of the goods would certainly be of the sort that could be used by our agencies in those countries or could be used in other countries to which we are giving aid under the act. Is it not better to get such goods, if a country is able to furnish them, than to get nothing whatsoever?

Mr. AUGUST H. ANDRESEN. And close down some of the plants in West Virginia and Minnesota.

Mr. JUDD. I do not see how that would follow. These loans are to be paid back over a period of years. Actually we are selling our goods for their bicycles and pottery at the present time; and they are using such of their own commodities as they can sell to us, in order to buy our commodities.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BAILEY. Mr. Chairman, I offer a perfecting amendment to the amendment of the gentleman from Minnesota [Mr. Judd].

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia. The Chair would inquire of the gentleman, is the proposal of the gentleman from West Virginia an amendment to the amendment offered by the gentleman from Minnesota [Mr. Judd]?

Mr. BAILEY. That is correct.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY as an amendment to the amendment offered by Mr. Judd: On page 10, line 5, strike out the word "goods" and insert in lieu thereof "strategic materials."

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia for 3 minutes.

Mr. BAILEY. Mr. Chairman, I ask unanimous consent that I may proceed for 2 minutes now and reserve the other minute to offer another amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia for 2 minutes.

Mr. BAILEY. Mr. Chairman, the proposal here is this: I am objecting to the use of the word "goods" in the amendment offered by the gentleman from Minnesota [Mr. Judd] because that is too broad a word. It would throw open about 1,900 dutiable articles on the tariff lists to competition from abroad as a result of the sale of these agricultural products. We would have to accept them, we would have to allow them into this country, and they would displace American products and American workmen in the manufacturing industries of our own country.

May I call attention to the fact that we need strategic materials. If time permitted I would read a list of the nations that have the strategic materials which we do not have. I find that they are the very nations to which we propose to give away or to sell these products.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. Briefly; I have only 2 minutes.

Mr. JUDD. The use of the term "goods" does not throw open to import commodities to which the door is not open now. This does not open any new door.

Mr. BAILEY. They would bring them in under reciprocal trade agreements.

Mr. JUDD. They can do that now.

Mr. BAILEY. The Commodity Credit Corporation would have manufactured goods in storage, which they would have to keep, unless they sold them in this country, where they would displace a great many products that are manufactured here. What is the use of our restoring food surpluses with lace and glass and other articles in warehouses in this country? They are going to have to sell them if you accept them.

Mr. JUDD. They can come into our country now under the tariff laws.

Mr. BAILEY. That is the trouble; there are too many of them coming in. And this amendment would permit them to be brought in. That is the point that I am making.

Mr. JUDD. My amendment would not permit them to come in under different terms than they can come in under now. If they can pay the tariff and can find a purchaser they can come in now.

Mr. BAILEY. What are you going to do with those products if you accept them in trade. Burn them, as they did our war equipment? Or are you going to bring them in under the reciprocal trade program and dispose of them in this country? You would only add to our present unemployment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. BAILEY] to the amendment offered by the gentleman from Minnesota [Mr. Judd].

The question was taken; and on a division (demanded by Mr. BAILEY) there were—ayes 52, noes 45.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota, as amended.

The amendment was agreed to.

Mr. BAILEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY: On page 13, line 1, strike out "may" and insert "must."

Mr. BAILEY. Mr. Chairman, I ask unanimous consent to modify the amendment, to strike out the word "may" and insert "shall."

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. BAILEY: On page 13, line 1, strike out "may" and insert "shall."

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Kansas.

Mr. HOPE. I rise for the purpose of stating to the gentleman that I have no objection to the amendment he is offering.

Mr. BAILEY. I desire to thank the chairman of the committee and the members of his committee for accepting my amendment. In consideration of that fact, I am withdrawing the other amendment I have pending on the desk.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. McCORMACK. I have asked the gentleman to yield for the purpose of asking the chairman of the committee a question. On page 14, there is a reference to the non-profit-school-lunch program. The term nonprofit is not used in the present law, but it is used in this bill. Will the chairman state whether that is for the purpose of limiting the present school-lunch program or to broaden it? I think this matter is of importance to all of us, and because the debates here will be viewed in connection with the intent of the Congress in interpreting any language in the bill which might raise any questions as to what the real meaning of the language is, naturally the intent of Congress is examined into and ascertained. So will my friend, the chairman of the committee, enlighten us in relation to the question I ask?

Mr. HOPE. I am very happy to do so because it is true that the term "school-lunch program" which is in this bill is used in order not to limit the program to the regular school-lunch program, which is now in effect. In other words, we want to broaden the program to include the regular school-lunch program and any other nonprofit school-lunch program that might be set up.

Mr. McCORMACK. I thank the gentleman. I think his explanation, in my opinion, clarifies the record.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. BAILEY].

The amendment was agreed to.

Mr. GATHINGS. Mr. Chairman, I offer an amendment.



The Clerk read as follows:

Amendment offered by Mr. GATHINGS: On page 10, line 5, after the word "appropriate", change the colon to a semicolon, and insert thereafter the following new subsection:

"(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b))."

Mr. GATHINGS. Mr. Chairman, this amendment sets up an additional purpose for which the funds available under title I of this act may be used. It provides that the foreign currencies obtained in return for the sale of surplus commodities may be used in financing the international educational exchange activities. This program bears the name of the junior Senator from Arkansas, Mr. FULBRIGHT, and has been most successful. The plan has not only offered educational opportunities to deserving students but it has promoted good will among nations.

It is a meritorious proposal, and I trust, Mr. Chairman, that the amendment will be accepted by the gentleman from Kansas, Chairman HOPE, and the ranking Democratic member, the gentleman from North Carolina [Mr. COOLEY].

Mr. HOPE. The gentleman has talked to several members of the committee about it. As far as I am concerned, I have no objection to the amendment.

Mr. GATHINGS. Mr. Chairman, will the gentleman from North Carolina accept the amendment?

Mr. COOLEY. Mr. Chairman, I have no objection to the amendment.

Mr. GATHINGS. I thank the gentlemen.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The amendment was agreed to.

Mr. HESELTON. Mr. Chairman, I have two amendments at the Clerk's desk which should be passed upon together, and I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. The Clerk will report both amendments.

The Clerk read as follows:

Amendments offered by Mr. HESELTON:  
On page 12, line 17, after the word "agencies", insert "including intergovernmental organizations", and

On page 14, line 19, after the word "Government", insert the words "and intergovernmental organizations."

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts that the amendments be considered en bloc?

There was no objection.

Mr. HESELTON. Mr. Chairman, this is intended to incorporate the language which we adopted in 1950 when we passed a bill somewhat similar to this to make it possible for certain existing intergovernmental agencies to participate in this program. Time does not permit me to go into all the details of that bill.

The purpose of these amendments would be to make it possible to use these surpluses for the needs of war-ravaged areas such as in Korea, for refugees who

have lost their homes because of war, and for the care of needy children in various parts of the world, through United Nations agencies or other intergovernmental agencies. Examples of how this might be done are the following:

First. Following the great devastation of the war in Korea, millions of men, women, and children have been left homeless, and without proper clothing or food. Estimates vary as to the damages wrought by the war. The South Korean Government published figures last fall indicating property damages exceeding \$3 billion. In addition, their estimates indicate 5½ million people as being without homes.

The U. N. Korean Reconstruction Agency has been given the task of restoring Korea to a sound economic and social basis. Over \$600 million in cash and goods has been contributed or pledged by 54 governments, specialized agencies, and voluntary organizations—of which about \$396 million has taken the form of direct relief. It has been estimated that over a billion dollars will be needed in the future for this job of relief and reconstruction. The United States Congress has been more than generous in the past—and the last Congress set aside \$50 million for the use of UNKRA. One of the most constructive steps which this Congress could take would be to devote a portion of our agricultural surpluses as direct relief to the Korean people, through the facilities of this organization, which is well equipped to carry out such a program.

Second. A similar situation exists in the Arab States, where the U. N. relief program for Palestine refugees is now in its fourth year of operation. The U. N. Relief and Works Agency for Palestine Refugees has under its care about 870,000 Arab refugees in Egypt, Lebanon, Syria, and Jordan. The General Assembly approved in 1951 a budget of \$250 million for a 3-year program of relief and reintegration. As of June 1953, \$147 million had been contributed toward this goal, of which the United States had given \$60 million. Again, an opportunity exists for the fruitful utilization of United States agricultural surpluses for these near-destitute people, through the facilities of the U. N. agency supervising the problem.

Third. Finally, the U. N. Children's Fund is another organization which could well utilize United States agricultural surpluses, in raising the health standard of the children of the world. The U. N. Children's Fund has helped in one way or another more than 60 million children in 78 countries, and has had a great deal of experience in coping with food and nutritional problems. For example, it could distribute powdered milk in areas where safe milk for children is practically nonexistent, as a part of a worldwide campaign to lower infant mortality. As long as the FAO estimates that two-thirds of the world's people go to bed hungry every night, and as long as infant mortality reaches such shocking levels in many countries, have we not a special duty to utilize some of our bounty for the world's children?

I do not believe these amendments would affect the bill adversely. I think they would provide an additional means for accomplishing the purposes of the bill. I am hopeful that the committee itself will feel that it would be helpful.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Minnesota.

Mr. JUDD. This would include such organizations as the Children's Fund, would it not?

Mr. HESELTON. The Children's Fund and U. N. relief program for Palestine, which has done excellent work.

Mr. JUDD. Only those agencies designated by the President.

Mr. HESELTON. That is correct.

Mr. COOLEY. Would it include the organization called Committee for European Immigration?

Mr. HESELTON. That is true.

Mr. COOLEY. An intergovernmental committee.

Mr. HESELTON. That is right. This is the organization, I believe, in which the gentleman from Illinois [Mr. REED] and the gentleman from Pennsylvania [Mr. WALTER] have been so much interested.

Mr. HOPE. If the gentleman will yield, I would like to state to the committee that this language has been in similar bills reported by the committee, so the committee has on other occasions approved this language. I think it is simply a matter of inadvertence that it was not included on this occasion. So I see no objection to it. Certainly some good can come from the gentleman's amendment.

(Mr. ELLIOTT asked and was given permission to extend his remarks at this point.)

Mr. ELLIOTT. Mr. Chairman, I am happy to see that the House Committee on Agriculture has brought up a bill which, in reference to the distribution of surplus commodities here in the United States, greatly liberalizes existing laws.

I had the pleasure of appearing before the House Committee on Agriculture when it held hearings on this bill, and urging the committee to give special attention to the food needs of the areas of severe unemployment. I felt then, and I feel now, that it would be a shame for this Nation not to open its storehouse of surplus commodities to the needy people here at home.

In Biblical days, the people were urged to save food against the day of famine. Mr. Chairman, our warehouses are bulging with food. Famine is upon certain areas of the land.

Just a few days ago, Mr. George Averitt, the mayor of Dora, in Walker County, Ala., in the heart of the Warrior coal field, sent me a picture of my fellow citizens of my own county standing in line before the surplus commodity distribution building. He told me that 3,000 unemployed people drew their surplus commodities in this 1 town.

I am saddened that our Government has not yet been willing to come to grips with this problem of unemployment.



Unemployment is growing in the United States. Nearly 4 million people are now without work. Unemployment is, in the areas affected by it, the No. 1 social and economic problem of our time.

I want to thank the membership of the Committee on Agriculture, which has legislative jurisdiction over the subject matter of loans, storage, and distribution of surplus agricultural commodities, for liberalizing this law. I refer to the authority given the Commodity Credit Corporation, on page 14 of the bill, to donate surplus commodities to State or Federal agencies for the purpose of assisting needy persons. This same authority extends to publicly owned hospitals, and to nonprofit school-lunch programs.

Now, Mr. Chairman, I want to mention another provision that is of very great importance. That is the provision on page 15 of the bill that the Commodity Credit Corporation may pay for packaging, transporting, handling, reprocessing, and other charges against surplus commodities up to the time of their delivery to the designated State agency. This provision will cure one of the main defects in the existing law, wherein the Commodity Credit Corporation does not have the funds to reprocess, package, handle, and pay other necessary charges up to the time of delivery to the State agency.

In addition, it is my understanding that this bill removes the requirement that has hitherto been in effect, that a commodity can only be distributed for the assistance of the needy when said commodity was in danger of spoilage or deterioration.

On page 13 of the bill, we give the Commodity Credit Corporation the authority to make available to the President any farm commodity owned or controlled by it for use in relieving distress. This is a great improvement over existing law. Now then the President has the power to declare any area of the United States an acute, distressed area because of unemployment, and thereafter make available to such area any farm commodities in the hands of the Commodity Credit Corporation, whether they are in danger of spoilage or not, and thus use our surpluses to relieve the pangs of hunger at home.

Following up, I was happy to note that on page 9 of the report the committee stated that—

In adding this provision to the law, the committee was impressed with reports of occasional need for such assistance in communities affected by technological unemployment, such as the closing down of industries or mines.

I am happy to see the committee, and to see the Congress, give this bit of attention to areas of acute and distressful unemployment, such as the coal mining areas of this country.

The help which this bill will bring will be great, and I am happy to have had a part in calling conditions of distress unemployment such as exists in my home county to the attention of this committee.

However, Mr. Chairman, no people are satisfied to draw surplus commodities. They want employment in the American

tradition so that they can be self-supporting, independent, and economically free. It is for these reasons that I want to urge upon the Congress again and again that we provide a realistic program of employment for our area of heavy unemployment.

There are many public works and improvements that need to be built in every area of acute unemployment, improvements such as dams on our waterways, public roads, public buildings, public schoolhouses, public hospitals, and many others. A program providing for their building would aid the affected communities to bridge the gap while they are trying to make adjustments in their economy that will make them self-sustaining.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Massachusetts [Mr. HESELTON].

The amendments were agreed to.

Mr. MARSHALL. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL: On page 16, after section 305, insert:

"Sec. 306. All Commodity Credit Corporation stocks disposed of under title II of this act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America."

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, the purpose of my amendment is rather simple. I want the products that have been delivered from the Commodity Credit Corporation stocks as a gift to the people of the world to be identified, as far as practical, so that the people receiving those commodities will know that they are coming from the people of the United States. That is the import of my amendment. I think if we are going to use food in this international situation it is necessary that the people of the world know where they are getting the commodities that we are generously extending to them.

I hope the members of the committee will see fit to accept my amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. H. CARL ANDERSEN. This is what we did with Pakistan with our wheat. Our flag, together with that of Pakistan, is displayed, at least a small replica is, at all of the points of distribution. Everybody in Pakistan knows that the wheat was given to them by the United States. The gentleman is to be commended for his offering of this amendment. The people who receive these gifts of food will know where they came from.

Mr. MARSHALL. The gentleman knows that, unfortunately, there have been times when people have received food through the generosity of the United States, not realizing that it ever came from the people of the United States.

The insistence that this food be recognized as American assistance is not an attempt to boast of our abundance or to remind people that they are paupers dependent upon us for food. As my respected colleague from Minnesota knows, there have been instances in the past when Communist groups and organizations in other parts of the world have used our contributions to strengthen their hold on people and have even left the implication that the assistance came from them rather than from us.

Accepting as we do the Christian precept to feed the hungry, we are thankful that we have been blessed with abundance and that we are able to help. We cannot permit our charity, however, to be used by the Communists to undermine the very kind of society in which Christian charity is still practiced.

At the same time, I am sure that no American wants to indulge in cruel arrogance because God has provided us with bountiful crops. Rather we would share our plenty in humility and thanksgiving.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. JUDD. The amendment refers only to commodities under title II?

Mr. MARSHALL. Commodities under title II and those in section 416 of the Agricultural Act of 1949, as amended. It would be products which would come under the gift category.

Mr. JUDD. I am in agreement with the gentleman and commend him for introducing the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

The amendment was agreed to.

Mr. HARRISON of Nebraska. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HARRISON of Nebraska: Page 10, line 17, after "currencies", insert "for a purpose for which funds have been appropriated."

Mr. HARRISON of Nebraska. Mr. Chairman, title I deals with the sale of products of the farm, and we accept foreign currency for our products. There are certain specifications in this act that set up how the currencies are to be used so that the Commodity Credit Corporation will get the necessary amount of credit for these moneys that have been expended by the Government agencies.

This language is inserted so that any time an appropriation in dollars is made for an agency and the agency uses these currencies, the appropriation will then go to the Commodity Credit Corporation so it will get credit for it. That is the sum and substance of this particular amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Mississippi: Page 11, line 17, after the words "available to", insert the following: "the



Foreign Operations Administration upon the request of."

Mr. WILLIAMS of Mississippi. Mr. Chairman, in view of the action taken by the House a few minutes ago on the Davis amendment, it is evident that the Members of the House intend to keep the international "handout" section in this bill.

The amendment I have offered refers only to title II of this bill, which is the handout of some several hundred million dollars' worth of farm products as a gratuity to these foreign countries.

Mr. Chairman, the purpose of this amendment, of course, is to channel this aid through the Foreign Operations Office, in order that it can be appropriately identified as part and parcel of our rather expansive and unexplainable foreign-aid program, and not be charged against the farm program and against the farmers of our country.

Also, I think it would promote efficiency. If we must waste the products of our farms over the world, then let us have it wasted by experts and not by amateurs. The Foreign Operations Administration has had 10 or 15 years of experience in wasting the people's money. Waste is their business; they know how to do it. I do not want to get the Agriculture Department in the habit of wasting the people's money also, and I am afraid they might get into that habit if we start them on this road.

The third purpose in offering this amendment is to promote honesty, by letting the people know this is foreign aid in fact, and not simply a means of dumping surpluses to save face for our farm program.

I hope the amendment will be accepted.

As far as I can tell it would not change the operation of this program in the least; it would not cost us any more money—although I have to admit that these foreign-aid boys really know how to spend—but even they would be limited to the amount contained in this bill. It will not cost any more money, and I cannot see any possible objection to charging this particular portion of this bill against the program that it should properly be charged to, the foreign-aid program.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think this would be a very serious proposal should we adopt it because it would preclude the President, who is given the authority under the bill to carry out the program from doing it except through one certain agency. As I have stated previously this morning in discussing the pending legislation, the committee hopes that a considerable part of the commodities provided under title II will be distributed by voluntary organizations, like CARE and other groups which have efficient and effective organizations throughout the world to put these commodities in the hands of individuals, rather than through governmental agencies or from one government to another. These organizations will get these commodities in the hands of individuals. I think that is where we want them to go.

If we adopt the gentleman's amendment it will preclude the use of those commodities in that way, which certainly is the most effective way in which we can dispose of them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The amendment was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 9, line 21, change the semicolon to a comma and add "and for purchase of cultural items and services for Federal, State, and local United States governmental agencies, and nonprofit institutions and museums."

Mr. FULTON. Mr. Chairman, I have taken up this amendment with the chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. HOPE], as well as the gentleman from North Carolina [Mr. COOLEY] and the gentleman from Texas [Mr. POAGE].

As you will note, the bill as it stands, amended by Mr. Judd's amendment of yesterday, on page 9, lines 20 and 21, reads:

For financing and purchase of goods and services for other friendly countries.

My amendment says that from these funds, these foreign currencies that are received from the sale of these United States surplus agriculture commodities abroad, we may use some of them to bring cultural items back to the very communities where these agricultural products were raised. This would provide that the Federal Government and the State and local governments as well as museums and nonprofit institutions will have the possibility of having the foreign currencies spent for items which they can use and which will be held by them. It will be public and not for private profit.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. What are some of the cultural items or services that may come from items the gentleman has in mind?

Mr. FULTON. I would cite as one example music; for particular example, an outstanding violinist. Here is the reason I say these items should be provided for the home people: This bill provides the same thing without limits for people of friendly countries. I feel that items of a monumental or of a cultural service or a product such as a picture would be involved in the purchases under my amendment. There is no use throwing these foreign currencies away or letting it remain idle. We should have such cultural additions brought back for our public institutions, such as museums, or to help our cities in their development.

I wish to thank the committee for their support.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pending amendment.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, money is being spent for just about everything

else under this bill, but I doubt that we need to use these funds to import long-haired violinists to come in and give us a song and dance out in Iowa.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. Has this been cleared through Mr. Petrillo?

Mr. GROSS. I am not sure. The gentleman will have to address that question to the gentleman from Pennsylvania.

I am surprised someone has not asked for diversion of some of this money to those painters in Italy and France who have been very prodigious with their paint brushes painting signs telling Americans to go home.

Mr. Chairman, one other observation. I note in yesterday's papers that Mr. Churchill and Mr. Eden are coming to this country soon, and I understand that Mr. Attlee and Mr. Bevin are heading for Communist China. I assume that the right hand of the British ruling dynasty knows what the left hand is doing. I assume Mr. Bevin and Mr. Attlee are going over to Red China to get some juicy contracts for British industrialists, and I imagine that Mr. Churchill and Mr. Eden are coming to this country to dig into our pocketbooks again, perhaps to pay for their deals with the Communists.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to my friend from Texas.

Mr. DOWDY. I did not think any of our museums or zoos had any long-haired musicians in them.

Mr. GROSS. I have not had the opportunity to visit any of them recently, but I know the gentleman from Texas joins me in opposing the use of funds to populate our museums or zoos with imported musicians.

Mr. Chairman, this amendment ought to be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 6, following the amendment adopted and beginning on line 23, strike out the period and insert "and (3) shall certify the selling price thereof in dollars."

Mr. JAVITS. Mr. Chairman, the purpose of this amendment is for tidy administration and for an understanding of exactly what we are doing both on the farm-aid program and in terms of surplus commodities for foreign assistance or for other similar purposes. The amendment requires that the Commodity Credit Corporation shall certify the selling price in dollars to the recipient of what is being sold for foreign currencies under this program. This is intended to make it very clear that the appropriations which are then made as provided by the bill to reimburse the Commodity Credit Corporation for all its investment in the commodity sold repre-



sent reimbursement; but do not represent the value of what is being utilized in this program. The value of what is utilized is by my amendment separately identified, and anyone can then argue who wishes as to the success or failure in dollars of the farm-price support program and as to the success or failure in dollars in the way in which these agricultural surplus commodities are being used. I think it is fair. I could go through the mumbo-jumbo of saying there should not be appropriations and that the Commodity Credit Corporation should come in and ask for new authority as its buying authority gets reduced. But that would be just mumbo-jumbo. I think, so long as we know what the facts and figures are, that is what, within reason, we ought to have.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to say that the bill itself requires the President to make a report to the Congress. Personally I have no objection to the gentleman's amendment. I think it would be very well if the amendment would be adopted so that we would know exactly the dollar value involved rather than the amount of foreign currency.

Mr. JAVITS. I thank the gentleman. I wonder if the chairman of the committee would have any feeling about this amendment.

Mr. HOPE. I would say I have no objection whatever to the amendment. There has not been an opportunity to discuss it with various members of the committee, but personally I have no objection to the amendment.

Mr. JAVITS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was agreed to.

Mr. HOPE. Mr. Chairman, I move to strike out the last word. I rise primarily to answer inquiries which have been made of the committee with respect to the interpretation of the language contained in two provisions of the bill. The first relates to section 106 as it might be applied to wool. For some reason, the wool trade has an idea that there might possibly be some exports of wool under this legislation. I cannot understand how that would be possible, because section 106 defines surplus agricultural commodities and says that that term "shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture."

We produce about 30 percent of the wool that we consume in this country; so I can conceive of no condition under which wool would meet the definition of surplus agricultural commodities as laid down in this bill.

The other matter, Mr. Chairman, relates to the amendment of the gentle-

woman from New York [Mrs. KELLY] which was adopted yesterday.

The text of Mrs. KELLY's amendment, defining the term "friendly nation" as meaning any country other than the U. S. S. R. or any nation dominated by the foreign government that controls the world Communist movement, is derived from a letter sent by Assistant Secretary of State Waugh to me as Chairman of the Agriculture Committee on July 23, 1953. As explained in that letter, similar definitions appear in the Trade Agreements Extension Act of 1951 and in the Battle Act. The administration has uniformly construed the reference to any nation "dominated or controlled by the foreign government or foreign organization controlling the world Communist movement" as meaning any country within the Soviet bloc, since Soviet Russia is of course the nation which controls the world Communist movement. Accordingly, countries which are not in the Soviet bloc, or which at one time were in the Soviet bloc but have broken away from the control or domination by the U. S. S. R., are not nations which are "dominated or controlled by the foreign government or foreign organization controlling the world Communist movement." For this reason, since Yugoslavia is not a member of the Soviet bloc, she is not considered by the administration to fall within this restrictive definition and accordingly is construed for purposes of United States legislation as a friendly country.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Washington [Mr. TOLLEFSON] has 3 minutes, if he desires to use that time.

Mr. TOLLEFSON. Mr. Chairman, I had another amendment on the desk; I was not certain whether it had been offered or not. If it has been offered, I ask unanimous consent that it be withdrawn.

The CHAIRMAN. The Chair understands that the amendment has not been offered, so there is no necessity for withdrawing it.

Are there any further amendments? If not, the question is on the committee substitute to the bill, as amended.

The committee substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORD, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee having had under consideration the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, pursuant to House Resolution 581, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "An act to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes."

A motion to reconsider was laid on the table.

#### SPECIAL ORDER GRANTED

Mr. WHEELER asked and was given permission to address the House for 30 minutes on tomorrow, at the conclusion of the legislative program and any special orders heretofore entered.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### INDEPENDENT OFFICES APPROPRIATIONS BILL, 1955

Mr. PHILLIPS. Mr. Speaker, I call up the conference report on the bill (H. R. 8583) making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 15, 1954.)

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 8, line 3, insert "Provided further, That the Commission may reimburse other Government agencies, including the Armed Forces, for salary pay, and allowances of personnel assigned to it."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 8, line 10, insert "rental in the District of Columbia."









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 23, 1954  
For actions of June 22, 1954  
83rd-2nd, No. 115

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. Senate passed watershed bill. House passed forest-land use bill. Surplus commodities bill was sent to conference. Senate debated trade agreements bill. Senate committees reported tax revision bill and Labor-HEW appropriation bill. Both Houses agreed to conference report on Army flood-control appropriation bill, but Sen. Long entered motion to reconsider. Rep. Neal criticized surplus commodities bill and high price supports. Senate committee made decisions on farm program bill. Senate committee voted to report Federal employees' life insurance bill.

### HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1955. Received the conference report on this bill, H. R. 8779 (pp. 8187-9). Attached to this Digest are statements pertaining to the measure.
2. SURPLUS COMMODITIES. Reps. Hope, Andresen, Hill, Cooley, and Poage, and Sens. Aiken, Young, Thye, Hickenlooper, Schoeppel, Ellender, Johnston, Holland, and Anderson were appointed conferees on S. 2475, to aid in disposal of surplus agricultural commodities (pp. 8142-4, 8233-4).
3. FLOOD-CONTROL APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 8367, the Army civil functions appropriation bill for 1955, which includes flood-control items; but Sen. Long entered a motion to reconsider the Senate vote (pp. 8155-8, 8209-10).
4. FORESTRY. Passed as reported H. R. 2762, to revise the authority of the Department to issue permits for construction on and use of areas within the national forests for various purposes connected with commercial and industrial development, public use by State and other governmental agencies, and for educational



and recreational purposes (p. 8193).

The Government Operations Committee submitted reports on "The Government in Business -- Commissaries -- Forest Service -- Part 3" (H. Rept. 1908) and "The Government in Business -- Sawmills -- Part 4" (H. Rept. 1909)(p. 8241).

5. DISBURSING; PAYROLLING. Agreed to the conference report on S. 2844, to make permanent the authority for U. S. disbursing officers to perform certain financial transactions, such as payments in foreign currencies in connection with foreign duty (p. 8208).  
Passed with amendment S. 2728, to authorize collection of indebtedness of Government personnel resulting from erroneous payments (pp. 8208-9).
6. LAND TRANSFERS. Concurred in the Senate amendments to H. J. Res. 458, to direct USDA to quitclaim retained rights in a tract of former FHA land to the Board of Education of Irwin County, Ga. (p. 8189). This measure will now be sent to the President.  
Passed as reported H. R. 4928, to authorize sale of a tract of land at the U. S. Animal Quarantine Station to Clifton, N. J. (p. 8193).
7. RECLAMATION. Passed without amendment H. R. 8027, to extend for 3 years the time during which the Secretary of the Interior may enter into amendatory repayment contracts under the Federal reclamation laws (p. 8198).
8. PHILIPPINE IMPORTS. Discussed and, at the request of Rep. Bonner, passed over H. R. 9315, to provide for an extension on a reciprocal basis of the period of free entry of Philippine articles into the U. S. Rep. Bonner objected to the bill because the Philippine Government has rejected a bill to remove the restrictions on importation of Virginia leaf tobacco into the Philippines. (pp. 8206-7.)
9. EDUCATION. House conferees were appointed on H. R. 9040, to authorize cooperative research in education, and H. R. 7434, to establish a National Advisory Committee on Education (p. 8225). Senate conferees have been appointed.
10. BUILDINGS. The conferees agreed to file a report on H. R. 6342, to authorize purchase contracts for the erection of new Federal buildings (p. D721).  
Rep. McCormack commended the service of William E. Reynolds, Commissioner of the Public Buildings Service (p. 8237).
11. FOREIGN TRADE. Rep. Williams, N. J., spoke in favor of expansion of foreign trade and the Randall Commission recommendations (pp. 8225-33).
12. BANKING AND CURRENCY. Rep. Patman criticized the current policies regarding Federal Reserve requirements, etc. (pp. 8237-9).
13. STOCKPILING APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$380,000,000 for 1955 for stockpiling strategic and critical materials (H. Doc. 441)(p. 8240).
14. VIRGIN ISLANDS. Passed with amendments S. 3378, to revise the organic act of the Virgin Islands (pp. 8210-22). No change was made in the provision regarding importation of diseased animals.
15. FARM LOANS. Passed as reported H. R. 5997, to provide that the Hawaii Legislature may authorize the issuance of general obligation bonds for purchase and making of mortgages on homes and farms of veterans (p. 8197).



pose for which the lands are to be used, or a reasonable annual rental, as the case may be."

Mr. MORSE. Mr. President, to that committee amendment, I now offer my amendment.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 3, in line 15, it is proposed to strike out "the payment of a price for said rights-of-way and other lands, and also for stone, earth, sand, gravel, and other materials of like character, to be fixed by the Secretary of the Interior, through appraisal or otherwise, exclusive of any increased value resulting from the development or improvement of the lands by the grantee or its predecessors, and after taking into consideration the purpose for which the lands are to be used, or a reasonable annual rental, as the case may be" and in lieu thereof to insert "the payment of a price representing the fair market value for said rights-of-way and other lands, and also for stone, earth, sand, gravel and other materials of like character, to be fixed by the Secretary of the Interior through appraisal, exclusive of any increased value resulting from the development or improvement of the lands by the grantee or its predecessors, or a reasonable rental, as the case may be."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The bill (S. 3303) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That there is hereby granted to Basic Management, Incorporated, a private corporation organized under the laws of the State of Nevada, all lands belonging to the United States situated in Clark County, State of Nevada, which may be necessary, as found by the Secretary of the Interior, for the construction, operation, and maintenance of facilities heretofore or hereafter constructed for the development, production, pumping, storage, transmission, and distribution of water, including any or all of the following purposes:

Rights-of-way; buildings and structures; construction and maintenance camps; dumping grounds, flowage, diverting, or storage dams; pumping plants, canals, ditches, pipes, pipelines, flumes, tunnels, and conduits for conveying water for domestic, irrigation, household, stock, municipal, mining, milling, industrial, and other useful purposes; poles, towers, underground conduits, lines, and equipment for the conveyance and distribution of electrical energy; poles, underground conduits, and lines for telephone and telegraph purposes; roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, or communication; for obtaining stone, earth, gravel, and other materials of like character, together with the right to take for its own use, from any public lands, within such limits as the Secretary of the Interior may determine, stone, earth, gravel, sand, and other materials of like character necessary or useful in the construction, operation, and maintenance of aqueducts, reservoirs, dams, pumping plants, electric transmission, telephone, and tele-

graph lines, roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, and communication.

That there is hereby excepted and reserved unto the United States, from said grant, minerals, other than sand, stone, earth, gravel, and other materials of like character: *Provided, however,* That such minerals so excepted and reserved shall be prospected for, mined, and removed only in accordance with regulations to be prescribed by the Secretary of the Interior.

This grant shall be effective upon (1) the filing by said grantee at any time after the passage of this act, with the manager of the United States local land office in the district where said lands are situated, of a map or maps showing the boundaries, locations, and extent of said lands and of said rights-of-way for the purposes hereinabove set forth; (2) the approval of such map or maps by the Secretary of the Interior with such reservations or modifications as he may deem appropriate; (3) the payment of a price representing the fair market value for said rights-of-way and other lands, and also for stone, earth, sand, gravel and other materials of like character, to be fixed by the Secretary of the Interior through appraisal, exclusive of any increased value resulting from the development or improvement of the lands by the grantee or its predecessors, or a reasonable rental, as the case may be: *Provided,* That said lands for rights-of-way shall be along such location and of such width, not to exceed 250 feet, as in the judgment of the Secretary of the Interior may be required for the purposes of this act.

SEC. 2. Whenever the lands or the rights-of-way are the same as are designated on any map heretofore filed by said Basic Management, Inc., or by any of its predecessors in interest, including Defense Plant Corporation, Reconstruction Finance Corporation, the State of Nevada, or the Colorado River Commission of Nevada, in connection with any application for a right-of-way under any statute of the United States, which application is still pending, or has been granted, and is unrevoked and has been transferred to and is now owned by said Basic Management, Inc., then, upon the approval by the Secretary of the Interior of any such later map with such modifications and under such conditions as he may deem appropriate, the rights hereby granted, shall as to such lands or rights-of-way become effective as of the date of the filing of said earlier map or maps with the manager or register of the United States local land office.

SEC. 3. Said grants are to be made subject to rights-of-way, easements, and permits heretofore granted or allowed to any person or corporation in accordance with any act or acts of Congress and subject to the rights of all claimants or persons who shall have filed or made valid claims, locations, or entries on or to said lands, or any part thereof prior to the effective date of any conflicting grant hereunder, unless prior to such effective date proper relinquishments or quitclaims have been procured and caused to be filed in the proper land office.

SEC. 4. That, whenever the land granted herein shall cease to be used for the purposes for which it is granted, the estate of the grantee or of its assignees shall terminate and revert in the United States.

#### BILL PASSED OVER

The bill (H. R. 9232) to amend the Federal Property and Administrative Services Act of 1949, as amended, to extend until June 30, 1955, the period during which disposals of surplus property may be made by negotiation was announced as next in order.

Mr. SMATHERS. Mr. President, by request, I ask that the bill go over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

#### SOIL CONSERVATION WORKS OF IMPROVEMENT — BILL PASSED OVER

The bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object—although certainly I shall not object, because this is a highly important measure, and in my judgment it proposes good legislation—let me say that I think the Record should show the very thoughtful explanation of the bill and its purpose, as stated in the report.

Mr. SMATHERS. Mr. President, on this side of the aisle we have a request that the bill go over, as not being proper for consideration during the call of the calendar.

Mr. AIKEN. Mr. President, this is a very important bill, indeed it is one of the most important conservation bills we have had before us for a long time. I do not think there is much opposition to the bill. On the other hand, I agree with the majority and minority spokesmen that probably the bill should be brought up by itself, not during the call of the calendar. So I have no objection to having the bill go over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

#### BILLS PASSED OVER

The bill (H. R. 5173) to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a \$200 million reserve in the Federal unemployment account which will be available for advances to the States to provide that the remainder of such excess shall be returned to the States, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, certainly this is not a bill that properly can be considered during the call of the calendar. So I ask that the bill go over.

Mr. PASTORE. Mr. President, I object.

The PRESIDING OFFICER. The bill will be passed over.

Mr. PASTORE. Mr. President, I objected to the bill.

The PRESIDING OFFICER. A request was made that the bill go over, and the Chair stated that the bill would go over.

Mr. PASTORE. I objected, and I wish the objection recorded.



The PRESIDING OFFICER. The objection will appear in the RECORD.

Mr. HENDRICKSON. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. HENDRICKSON. I assume that the Senator from Rhode Island was objecting to the present consideration of the bill, and not to my request that the bill go over. Is that correct?

Mr. PASTORE. That is correct.

#### BILL PASSED OVER

The bill (H. R. 8300) to revise the internal revenue laws of the United States was announced as next in order.

Mr. HENDRICKSON. Let the bill go over.

Mr. KNOWLAND. Mr. President, obviously this bill should go over, to be considered later.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

One bill was placed at the foot of the calendar, and it will now be called.

#### RELIEF FOR THE SHEEP-RAISING INDUSTRY—BILL PASSED OVER

The bill (S. 2862) to provide relief for the sheep-raising industry by making special nonquota immigration visas available to certain skilled alien sheepherders was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McCARRAN. Mr. President, I have a statement to make on the bill.

Mr. SMATHERS. Mr. President, for the information of the Senator from Nevada, let me say we have a request from the Senator from New York that the bill go over.

Mr. McCARRAN. Before the objection is made, I desire to submit a statement.

Mr. President, in a letter dated June 16, 1954, to the chairman of the Committee on the Judiciary, from Mr. William P. Rogers, Deputy Attorney General, the Department of Justice submitted its report on the bill (S. 2862) to provide relief for the sheep-raising industry by making special nonquota immigrant visas available to certain skilled alien sheepherders. I should like to address myself to the two points in that report with reference to the pending bill.

It is stated as the view of the Department of Justice that the proposed legislation is unacceptable unless some provision is made to require that sheepherders admitted under the provisions of the bill will, in fact, follow that occupation for at least a reasonable time after their admission to this country. With reference to this recommendation, I wish to direct the attention of the Members of the Senate to the fact that similar suggestions have been considered in the past, but have been rejected because it was believed that the inclusion of such a provision would contravene the constitutional provision against involuntary servitude.

The 13th amendment to the Constitution prescribes that "neither slavery nor

involuntary servitude, except as a punishment for a crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction." It is clear to me, therefore, Mr. President, that under the 13th amendment, slavery or involuntary servitude is expressly prohibited by the Constitution. On the basis of previous statements by the Supreme Court, as in the case of *Pollock v. Williams* (322 U. S. 4 (1944)), I believe that a provision which would require the sheepherders admitted under the proposed legislation to follow that occupation for a certain period of time would be held by the Court to create a status of involuntary servitude within the meaning of the 13th amendment, and therefore unconstitutional.

With reference to the second point raised in the report of the Department, with respect to the clarification of the provisions of the bill relating to the cancellation of certain future quota charges, I wish to point out that the necessity for clarification was brought to the attention of the Committee on the Judiciary by the Department of State, in its report on the bill; and the clarification has been made in the provisions of the bill as reported by the committee.

I do not believe, Mr. President, that the report of the Department of Justice presents any other points which are not taken care of by the bill as reported, with amendments, by the committee.

Mr. President, an industry which is peculiar to the West—the sheep industry—and which is carried on on the open public domain, is now clamoring for the services of men who are accustomed to sheep-herding work. It is impossible to get Americans to go into that line of work, because of the lonesomeness and because of the general conditions that prevail. Therefore, at times in the past there have been brought into the country sheepherders to take care of the flocks of sheep on the open, public domain in the West.

This bill relates to those who are in the manner born, so to speak—in other words, the Basques, who are accustomed to sheepherding in the open, public domain, and who make some of the finest citizens in the world. No better citizens ever came to America than the Basques, who have come here to engage in the sheep business.

This matter is of great importance to an industry which now is sadly in need of labor.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WELKER. Mr. President, reserving the right to object, although certainly I shall not object, let me say that a while ago I spoke in behalf of the Senator's bill, and I was informed that another Senator on his side of the aisle desired to object to the bill. I certainly agree with everything the Senator from Nevada has said, and I think it is most important that this bill be enacted, in connection with my companion bill, which is similar in nature, and which was passed without objection, whereas the bill introduced by the Senator from

Nevada is confronted with an objection from his side of the aisle.

Let me say that I certainly hope the distinguished majority leader, the senior Senator from California [Mr. KNOWLAND], will see fit, if objection is made, to have this bill made a part of the order of business for consideration today, because enactment of the bill is most necessary if the industry is to survive.

Mr. SMATHERS. As chairman of the Democratic review committee, it is my duty to object, regardless of my wishes in the matter, when a colleague asks that objection be made for him. For that reason, I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

#### USE OF AGRICULTURAL COMMODITIES TO IMPROVE THE FOREIGN RELATIONS OF THE UNITED STATES

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, which were, to strike out all after the enacting clause and insert:

That this act may be cited as the "Agricultural Trade Development and Assistance Act of 1954."

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, and to promote collective strength or further in other ways the foreign policy of the United States.

#### TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(a) take reasonable precautions to safeguard usual marketings of the United States;

(b) take appropriate steps to assure that private trade channels are used both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation to the maximum extent practicable;

(c) give special consideration to utilizing the authority and funds provided by this act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;



(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this act, without specific approval of the President; and

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this act and to make effective use of the foreign currencies received to carry out the purposes of this act.

SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with directions of the President, (1) shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price-support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities other than those commodities which the Commodity Credit Corporation is in a position to supply from its own inventories, and (3) shall certify the selling price thereof in dollars.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1 billion.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue

under this title for the purposes set forth in section 2 of this act, including one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials under contracts, including advance payment contracts, for supply extending over periods up to 10 years. All strategic and critical materials acquired under authority of this title shall be placed in the above-named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)):

*Provided, however,* That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to not less than 10 percent of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the Government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106. As used in this act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

SEC. 107. As used in this act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this act at least once each 6 months and at such other times as may be appropriate.

SEC. 109. No transactions shall be undertaken under authority of this title after June

30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

#### TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in sec. 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies.

SEC. 203. Not more than \$100 million worth of surplus agricultural commodities from Commodity Credit Corporation stocks may be used by the President without regard to the requirements of this title or of the Mutual Defense Assistance Control Act of 1951, when the President deems that such use is important to the foreign policy objectives of the United States.

SEC. 204. Not more than \$300 million (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

SEC. 205. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

#### TITLE III—GENERAL PROVISIONS

SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation shall make available to the President any farm commodity owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855). The responsibility of the Corporation in connection with the use of such commodities shall be limited to delivery of the commodities to designated agencies at one or more central locations in each State, except that facilities and funds of the Corporation may be utilized for the processing or packaging of such commodities on a reimbursable basis.

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public



interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic defense materials as provided by law; (3) to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in nonprofit school-lunch programs, in the assistance of needy persons, in State or Federal penal and corrective institutions, and in publicly owned hospitals; (4) to donate any such commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that commodities disposed of thereunder will be in addition to and not in substitution for any normal consumption. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency. In the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

SEC. 303. The second paragraph of the act of June 28, 1937 (50 Stat. 323), as amended, is hereby amended by adding before the period at the end thereof the following words "and for use in such State penal and corrective institutions as the Secretary may approve."

SEC. 304. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for strategic materials entailing less risk of loss through deterioration or substantially less storage charges, he is hereby directed to use every practicable means to assist other Government agencies and private trade channels in arranging and making such barter or exchanges or to utilize the authority conferred on him by section 104 (h) of the Commodity Credit Corporation Charter Act to make such barter or exchanges. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

SEC. 305. Notwithstanding the provisions of title I and II of this act, the President shall not sell or transfer any surplus agricultural commodity to any nation unless upon careful investigation he determines (1) that the sale or transfer of such commodity to such nation will not enable such nation to export some commodity or product to the U. S. S. R., or to any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement, or (2) the sale or transfer of such commodity will not create, maintain, increase, or stimulate trade between such nation to whom the sale or transfer will be made and the U. S. S. R., or any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

SEC. 306. All Commodity Credit Corporation stocks disposed of under title II of this act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America.

And to amend the title so as to read: "An act to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes."

Mr. AIKEN. Mr. President, I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. AIKEN, Mr. YOUNG, Mr. THYE, Mr. HICKENLOOPER, Mr. SCHOEPEL, Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, and Mr. ANDERSON conferees on the part of the Senate.

#### EXTENSION AND IMPROVEMENT OF VOCATIONAL REHABILITATION SERVICES—REPORT OF A COMMITTEE

Mr. PURTELL. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with an amendment, the bill (S. 2759) to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act and for other purposes, and I submit a report (No. 1626) thereon.

As in the case of House bill 8149, amending the Hospital Survey and Construction Act, which was passed by the Senate today, this bill also embodies an important part of President Eisenhower's health program. S. 2759 was unanimously ordered to be reported by the committee, and I wish again to thank my committee colleagues on the other side of the aisle who have been so helpful in making this unanimous report possible.

The Senator from New York [Mr. LEHMAN] wishes to offer supplemental views. I ask unanimous consent that, when they are received, they be made a part of the report.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar; and, without objection, the supplemental views will be printed as a part of the report.

#### LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, I desire to make a statement. I understand that with respect to the bills which I had previously announced might be taken up as special orders upon completion of consideration of the reciprocal-trade bill, or when debate on that bill slackened, Calendar No. 1601, House bill 3413, and Calendar No. 1602, House bill 6154, have passed on the call of the calendar today, so they can be eliminated.

However, I desire to add to the list of bills with respect to which I gave previous notice, Calendar No. 1633, House bill 6788, Calendar No. 1634, House bill 5173, and Calendar No. 1612, Senate bill 2862, the bill which the Senator from Nevada [Mr. McCARRAN] and the Senator from Idaho [Mr. WELKER] were recently discussing.

#### EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

Mr. MILLIKIN obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. MILLIKIN. I yield.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Fulbright	Martin
Anderson	George	McCarran
Beall	Gillette	Millikin
Bennett	Goldwater	Morse
Bowring	Gore	Mundt
Bricker	Green	Murray
Bridges	Hayden	Neely
Burke	Hendrickson	Pastore
Bush	Hickenlooper	Payne
Butler, Md.	Hill	Potter
Butler, Nebr.	Holland	Purtell
Byrd	Humphrey	Robertson
Capehart	Ives	Russell
Carlson	Jackson	Saltonstall
Case	Jenner	Schoeppel
Chavez	Johnson, Tex.	Smathers
Cooper	Johnston, S. C.	Smith, N. J.
Cordon	Kefauver	Sparkman
Daniel	Kennedy	Symington
Dirksen	Kilgore	Thye
Douglas	Knowland	Watkins
Duff	Kuchel	Welker
Dworshak	Langer	Wiley
Eastland	Lehman	Williams
Ervin	Lennon	Young
Ferguson	Long	
Frear	Magnuson	

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). A quorum is present.

Mr. MILLIKIN. Mr. President, the bill which is now before the Senate is H. R. 9474, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act



such assistance. It is neither compensation nor subsidy legislation. It would make easier the adjustments that would occur in the absence of Government assistance. At present, the same decisions by the President leave affected industries completely on their own.

The bill would provide for technical assistance to companies and communities needing it. Such assistance would be directed toward the diversification of output into products less vulnerable to import competition than those which they have been producing. Federal funds would be used to provide consulting engineers, market researchers, and other technicians whose services might prove helpful. This responsibility would be assigned to the Department of Commerce.

The same sort of assistance would be made available to communities. Export industries might be encouraged to establish branch plants in communities that are particularly vulnerable to import competition. In the case of communities, one objective would be to encourage the broadening of the economic base in order to provide as wide a variety of jobs as possible for the population.

In some cases supplementary financing might be necessary. In a number of States privately financed industrial development corporations have been established and these could be helpful in this connection. One function of the Adjustment Assistance Board would be to facilitate the establishment and functioning of such corporations or similar private bodies. In cases where financing by such means is not forthcoming, the Small Business Administration would be called upon to make its facilities available. The Small Business Administration Act would be amended to permit larger loans for this purpose, if necessary.

Companies found eligible for assistance would also have the privilege of accelerated tax amortization on new plant and equipment for the purpose of introducing new products or expanding production in lines other than those affected by tariff changes.

These proposals follow, in many respects, the recommendations made by Mr. David MacDonald in his statement regarding adjustment to increased imports in the report of the Randall Commission. Mr. MacDonald, President of the United Steel Workers of America, was labor's representative on the Randall Commission. Even though the majority of the Commission did not choose to go along with him in these recommendations, they did think sufficiently well of them to give them great prominence in the final report of the Commission.

With regard to community adjustment Mr. MacDonald said:

Large sectors of expanding American industry have a substantial interest in promoting export trade and, consequently, in lowering barriers to increased imports. Most of these manufacturers are in fast-growing industries and have long-term plans for expanding their plant and equipment. If a number of such firms would undertake to place a relatively small proportion of their branch plant expansion in areas with present or prospective labor surpluses resulting from

import competition, selecting from their expansion plans such operations as could economically be located in these areas and still meet their own production and marketing requirements, the problem of unemployment from import competition would be largely solved. \* \* \*

Carrying out a program of this kind under private auspices might be done through an industrial development corporation, fashioned after the community and State industrial development corporations but operating on a national scale. The more that private industry can utilize the skills of these displaced workers through other means, the smaller the task left to the Government.

Employees of industries and companies found eligible for assistance under the program outlined in this bill would be made eligible for extended unemployment compensation assistance. Such assistance would be administered through our present Federal-State machinery, but the added assistance would be financed by Federal funds. The bill provides that benefits in cases where adjustment to increased imports is involved should be extended from the present 26 weeks to 52 weeks.

Counseling and placement and special training allowances would also be provided for, together with special moving allowances. Older workers who are unemployable would become eligible for retirement at age 60 rather than at age 65, as at present, without prejudice to their rights at the regular retirement age.

Statements made by other members of the Randall Commission regarding the proposals of Mr. MacDonald indicate that there is keen interest in this approach to the problem. Some members indicated that, although they are in favor of the general idea, they did not see how it could be applied with regard to adjustments made necessary by increased imports while not being available also to assist in making adjustments necessitated by other actions of Government.

I can see some reason for such hesitancy. But does it follow that because there are other cases than those caused by increased imports that are in need of assistance that we should not concentrate at this time upon the one currently before us? It seems to me that rather than holding ourselves back from doing anything, in the absence of a fully rounded program, we should take care of the present problem. That is what this proposed legislation is all about. Depressed areas anywhere are a threat to prosperity everywhere. As we do when we detect a small fire, so should we put out the incipient fire of economic recession before it spreads to the conflagration of major economic depression. The longer that we delay action the more difficult the problem becomes.

IS THIS SOCIALISM?

There may be some who will call the program outlined in this bill socialism. Nothing could be more incorrect. There is nothing compulsory about the assistance provided for in this bill. Nothing in it would give to the State, or any of its representatives, any power to push people around or to force them to shift from one line of activity to another. Instead, it would, in quite democratic fashion,

lend a helping hand to those who happen to be situated in uneconomic endeavors. It is not central planning. It would, on the contrary, facilitate the adjustments that would occur in the natural course of events in the absence of Government interference. Instead of allowing the natural forces to work themselves out slowly and painfully, it would speed them up.

This is the precise opposite of socialism. It would not substitute decisions of the state for decisions by individuals, but would, on the contrary, make the decisions of individuals meaningful. In fact, I would go so far as to say that in the absence of such legislation we shall run a real chance of weakening ourselves before the onslaughts of communism. Our economy, in the absence of such a mechanism, tends to be brittle. Brittle things snap easily. If we want the economies of the nations of the free world to be strong we must provide them with the suppleness they presently lack.

This legislation would, in my opinion, make the individual enterprise system even stronger than it now is, relative to totalitarian systems. It would go a long way toward dissipating unreasoning fear and, at the same time, would strengthen our own economy by bringing the economies of the other countries of the free world closer to ours. Unity here means economic strength. Economic strength makes spiritual courage and determination easier, and, together with the military preparedness that is already underway, such strength can go a long way toward the creation of a truly strong free world.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. I understand that this is the gentleman's first speech as a Member of the House; is that correct?

Mr. WILLIAMS of New Jersey. That is right.

Mr. McCORMACK. I want to congratulate the gentleman from New Jersey on making a very profound speech, one that shows great research and that conveys to his colleagues information that I know each and every one of them will study and which will be valuable to all of us. It is very easy to see why the people from the gentleman's district elected him. I know that keeping him here will reflect greater and greater credit upon them and enable the people of his district, through the able gentleman from New Jersey [Mr. WILLIAMS] to make marked contributions to the progress of our country.

Mr. WILLIAMS of New Jersey. I am deeply grateful to the gentleman from Massachusetts.

TO USE AGRICULTURAL COMMODITIES TO IMPROVE THE FOREIGN RELATIONS OF THE UNITED STATES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2475) to



authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none and appoints the following conferees: Messrs HOPE, AUGUST H. ANDRESEN, HILL, COOLEY, and POAGE.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 5185) entitled "An act for the relief of Klyce Motors, Inc." disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LANGER, Mr. WELKER, and Mr. KEFAUVER to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2475) entitled "An act to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. AIKEN, Mr. YOUNG, Mr. THYE, Mr. HICKENLOOPER, Mr. SCHOEPP, Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, and Mr. ANDERSON to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Senator from California, Mr. KUCHEL, be appointed a conferee on the bill (H. R. 6342) entitled "An act to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes, and for other purposes," in place of the Senator from Connecticut, Mr. BUSH, excused.

#### EDUCATION AND TRAINING BENEFITS TO CERTAIN VETERANS

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks and include a release from the Veterans' Administration and other material.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, when the bill H. R. 9395 was reached on the Consent Calendar today the gentleman from Iowa [Mr. CUNNINGHAM] said that a suspension would be granted, and asked that the bill be passed over without prejudice.

The purpose of this bill is threefold, Mr. Speaker. First, to extend by 2 additional years the time for initiating a

course of training under the Korean GI bill of rights, Public Law 550, 82d Congress. By taking this action the law will be brought into comparable relationship with the World War II act, thus giving the Korean veteran the same amount of time to initiate a course of training as the World War II veteran enjoyed—4 years after discharge and 9 years to complete the course.

Second, the bill provides education and training for the service-connected group, both World War II and Korea, who have been prevented from initiating or completing their course of education or training by virtue of illness. There is no initiation date for service-connected trainees but there is an overall completion date of 9 years after the termination of the war, which was set, as you know, at July 25, 1947. The bill would make it possible for the veteran to pursue his course of education up to 13 years after termination of the war, or until July 25, 1960.

The third purpose of the bill is to give those veterans who are otherwise eligible to training under the service-connected provisions of the training law—Public Law 16 of the 78th Congress or Public Law 894 of the 81st Congress—and who have received a discharge of less than honorable condition and who have had their discharges corrected to enter upon a course of training and receive the benefits of this law.

There is no estimate of cost which can be furnished at this time, but I do not believe that it will be large.

Mr. Speaker, the gentleman from Illinois [Mr. SPRINGER] was the chairman of that subcommittee on education and training of my Committee on Veterans' Affairs that reported the bill out. Then we unanimously reported the bill to the House. I think there will not be a vote against it.

The budget recommended against the passage of the bill. It seems sometimes, Mr. Speaker, that there are those, and sometimes the budget included, although the budget of course does not speak just for itself, who have a willingness, remembering that General MacArthur said, "Old soldiers never die, they quietly fade away," to let old soldiers quietly fade away instead of passing their legislation.

There was an appropriation bill that passed, and the conferees of the House and Senate agreed, to strike \$4 million from the operations of the Veterans' Administration, which would mean that 1,000 persons would be severed from the Veterans' Administration payroll and would be unemployed. A supplemental estimate was sent down by the budget. The budget was very emphatic in talking to me of the great need to get that money for the operation of the Veterans' Administration.

Further, the Veterans' Administration sent down a supplemental estimate of \$3 million for hospitals. They seem to blame the Administrator of Veterans' Affairs for saying that the money that was given in the House bill for the hospitals was enough, but obviously it was not enough. I do not think there ought to be any difficulty in the House in getting

that amount in. It may take a little time. I was reminded today when the gentleman from Iowa [Mr. CUNNINGHAM], spoke of the fact that the bill H. R. 9395, the bill for extending the time of training and education for GI's was to be granted a suspension rule, and my mind went back to 10 years ago when he and I, and those on the Committee on Veterans' Affairs went to the White House for the signing of the GI bill of rights by President Roosevelt. Mr. Speaker, I remember the gentleman's great contribution to the writing of that GI bill of rights. He worked tirelessly on it. I think those of us who worked on the passage of the bill at that time and secured its passage have a right to feel happy that so much has been accomplished by the veterans who were trained under that bill. They have a very high standing in education. I am going to insert as part of my remarks a release by the Veterans' Administration as to what has been accomplished under the GI bill of rights. The release follows:

The GI bill, a law that has left its lasting imprint on the lives of millions of veterans and on America itself, reached its 10th anniversary today.

The bill, signed into law June 22, 1944, contained three major benefits to help veterans in readjustment to civilian life.

One was a program of guaranteed loans for homes, farms, and businesses. It still is in force. Another, education and training at Government expense, is approaching its end. The third, readjustment allowances for periods of unemployment already has faded into history.

On signing the GI bill in 1944 the White House said: "This law gives emphatic notice to the men and women of our Armed Forces that the American people do not intend to let them down."

But veterans have not let down the American people either, according to statistics released today by the Veterans' Administration.

Through the GI bill, World War II veterans have become the best educated group of people in the history of the United States.

Because of their training, they have raised their income level to the point where they now are paying an extra billion dollars a year in income taxes to Uncle Sam.

At this rate, GI-bill-trained veterans alone will pay off the entire \$15 billion cost of the GI education and training program within the next 15 years.

Through the GI loan program, veterans have proved themselves to be among the best financial risks in the country.

With the help of GI loans, they have become America's largest single group of homeowners. Therefore, they pay more real-estate taxes to States, cities, and counties than any other group of equal size.

During the past 10 years, a total of 3,600,000 veterans—1 out of every 5 men and women who served in World War II—obtained VA guaranteed and insured loans valued at \$23.5 billion.

The United States Government stands behind \$12 billion of the amount, in the form of VA guaranties and insurance.

Home loans accounted for the 90 percent of all GI bill loans obtained by veterans—or 3,300,000 for \$22.8 billion. Farm loans numbered 66,000 for \$256 million; business loans, 213,000 for \$575 million.

The average veteran used his GI loan to buy a substantial, middle-priced home—neither a "cracker-box" nor a mansion.

A recent VA survey disclosed that 60 percent of GI home-buyers paid between \$10,000 and \$15,000 for their homes. Thirty percent









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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83rd-2nd, No. 119

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HIGHLIGHTS: House debated foreign aid bill. House acted on amendments to trade agreements bill. Conferees announced agreement on surplus commodities bill. Senate debated tax revision bill. Sen. Millikin discussed soil conservation provision. Both Houses agreed to conference report on Interior appropriation bill. Senate passed legislative-judiciary appropriation bill. Sen. Anderson recommended earmarking of forest receipts for recreation. Senate committee reported life insurance bill for Federal employees. House received USDA proposal to authorize cooperation with Canada and Mexico in insect control.

### HOUSE

1. FOREIGN AID. Began debate on H. R. 9678, the foreign aid authorization bill, which had been reported on June 25 during House recess (H. Rept. 1925) (pp. 8665, 8622, 8624-60). The bill authorizes appropriations for the fiscal year 1955, for military aid, economic development assistance, and technical cooperation.
2. SURPLUS COMMODITIES. On June 26, during House recess, the conferees agreed to file a report on S. 2475, to aid in disposal of surplus commodities, but the report was not actually submitted. The "Daily Digest" states: "Among other agreements made, the conferees agreed to reduce the total amount to be sold from \$1 billion to \$700 million, and to retain \$300 million for famine relief." (p. D750.)
3. TRADE AGREEMENTS. Concurred in the Senate amendment to the trade agreements bill, H. R. 9474, providing that this bill indicates no congressional decision on GATT, and concurred with an amendment to the Senate amendment to provide that no trade agreement shall endanger defense production (pp. 8660-1).
4. INTERIOR APPROPRIATION BILL, 1955. Both Houses agreed to the conference report on this bill, H. R. 8680, and acted on amendments in disagreement (pp. 8614-18, 8592-5). This bill will now be sent to the President.



AND PLANT-DISEASE

5. INSECT/CONTROL. Received from this Department a proposed bill to authorize cooperation with Mexico and Canada in the control of incipient or emergency outbreaks of insect pests or plant diseases in those countries; to Agriculture Committee (p. 8665).
6. EDUCATION. The Education and Labor Committee reported with amendment H. R. 9640, to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of the program (H. Rept. 1941)(p. 8665).
7. RECLAMATION. The Committee on Interior and Insular Affairs reported with amendment H. R. 236, to authorize the Fryingpan-Arkansas project (H. Rept. 1943), and without amendment S. J. Res. 165, to authorize the Glendo unit, Wyo. (H. Rept. 1944)(p. 8665).
8. D. C. APPROPRIATION BILL, 1955. Received the conference report on this bill, H. R. 9517 (H. Rept. 1945)(pp. 8612-14).
9. LABOR-HEW APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 9447 (p. 8614). Senate conferees have been appointed.
10. COPPER IMPORTS. Concurred in the Senate amendment to H. R. 7709, to continue duty-free copper imports for 1 more year (p. 8620). This bill will now be sent to the President.
11. VIRGIN ISLANDS. House conferees were appointed on S. 3378, to revise the Virgin Islands organic act, which includes a provision regarding importation of diseased animals (p. 8620). Senate conferees have been appointed.
12. TRANSPORTATION. Rep. Oakman claimed there are "discriminatory tolls on interstate truck transportation" (pp. 8622-5).
13. PRICE SUPPORTS. Rep. Thompson, La., spoke against reduction in price supports (p. 8662).

SENATE

14. LEGISLATIVE-JUDICIARY APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 9302 (pp. 8595-607). Senate conferees were appointed. Agreed to an amendment by Sen. Mundt to validate obligations under any regular annual appropriation act between June 30, 1954, and the date of its approval (p. 8598). Rejected an amendment by Sen. Carlson to enable the Joint Committee on the Economic Report to continue the publication of monthly "Economic Indicators" (pp. 8600-2).
15. TAXATION. Began debate on H. R. 8300, the general tax revision bill. Adopted committee amendments en bloc so that the bill, as so amended, will be considered as the original text for the purpose of further amendment. (pp. 8536-89, 8602, 8607-9.)

Sen. Millikin discussed the soil conservation provision which allows farmers to deduct expenditures (as expense rather than capitalization) for soil and water conservation, including those for leveling, grading, terracing, drainage, contour furrowing, eradication of brush, planting of windbreaks, and other expenses for treatment or moving of earth. The Senate committee modified the House bill to make it clear that the provision applies to earthen dams not subject to depreciation and to the construction as well as the control and protection of watercourses, outlets, and ponds. The committee also made the provision applicable for expenditures by farmers to satisfy special assessments









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: House received conference report on surplus commodities bill. House Rules Committee cleared farm program bill for debate today. House debated foreign aid bill and agreed to amendment requiring use of \$ $\frac{1}{2}$  billion for disposal of surplus commodities. House committees reported bills to extend unemployment compensation to Federal employees and to codify food-drug laws. House received conference reports on Labor-HEW and State, Justice, Commerce appropriation bills. Senate concurred in House amendment to trade agreements bill. Senate debated tax revision bill, and Sens. Douglas and Long discussed decrease in farm income. Rep. Budge introduced bill to require potato labeling and inspection. Rep. Herlong inserted Benson-Nixon radio discussion of farm program. President approved agricultural appropriation bill and bills to authorize 3/8 bushel basket and to continue housing program 1 mo. Sen. Aiken criticized charge that President promised 90% price supports.

### HOUSE

- SURPLUS COMMODITIES.** Received the conference report on S. 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the U. S. The conferees reduced from \$1,000,000,000 (House figure) to \$700,000,000 the amount under Title 1. The revised bill, as reported from conference, is printed in the Record (pp. 8673-5).
- FARM PROGRAM.** The Rules Committee reported a resolution providing for consideration of the farm program bill, H. R. 9680. The rule provides for 4 hours of general debate (before the bill is read for amendment under the 5-minute rule) and waives points of order. It is expected that debate on the bill will begin today following votes on the foreign aid bill and several conference reports on appropriation bills (pp. 8734, 8740, D755).
- FOREIGN AID.** Continued debate on H. R. 9678, to authorize a foreign aid program for the fiscal year 1955 (pp. 8676-740). Agreed to an amendment by Rep. Judd to require at least \$500 million of foreign aid funds to be used to finance the purchase and export of surplus agricultural commodities or products thereof and to require that foreign currency proceeds therefrom be used pursuant to the surplus-commodities bill, S. 2475 (pp. 8733-4). Rep. Godley criticized



"operation reindeer" under which, he claimed, Christmas food packages were distributed in foreign countries (pp. 8729-30).

4. PERSONNEL. The Ways and Means Committee reported without amendment H. R. 9709, to extend and improve the unemployment compensation program, including its extension to Federal employees (H. Rept. 2001)(p. 8747).
5. LAW REVISION. The Judiciary Committee reported without amendment bills to revise, codify, and enact into positive law parts of the U. S. Code, as follows: H. R. 9728, title 21, "Food, Drugs, and Cosmetics" (including various provisions enforced by this Department regarding animals and poultry)(H. Rept. 1979); H. R. 9730, correction of obsolete references (H. Rept. 1981); and H. R. 9729, "Census" (H. Rept. 1980)(p. 8747).
6. DAIRY INDUSTRY. Rep. Johnson, Wis., commended the dairy products of Wis. (pp. 8670-1).
7. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 9517, the D. C. appropriation bill for 1955, and acted on amendments which had been reported in disagreement (pp. 8670, 8757). This bill will now be sent to the President.  
Received the conference report on H. R. 9203, the legislative-judiciary appropriation bill for 1955 (p. 8742). House conferees had been appointed earlier in the day (pp. 8669-70).  
Received the conference report on H. R. 9447, the Labor-HHW appropriation bill (pp. 8742-4). The conferees agreed to \$50,000 (instead of \$100,000 as provided by the Senate amendment), under Bureau of Labor Standards, for improving conditions of migratory labor. The statement of House conferees includes the following: "The managers on the part of the House and Senate are disturbed by the lack of central coordination of the increasing activities in this field by many executive agencies. The managers believe that the expenditures of the same amount of Federal funds would result in a more effective program if these activities were more closely coordinated, and strongly urge that the 1956 budget for the executive branch be prepared with a view to correcting this deficiency," (pp. 8742-4).  
Received the conference report on H. R. 8067, the State, Justice, Commerce appropriation bill for 1955. The conferees struck out the provisions for additional supergrades in the State and Commerce Departments and agreed to the Senate provision limiting the Commerce Department's funds for management studies. The provision for a census of agriculture was reported in disagreement. Also reported in disagreement was the provision to create an additional position as Assistant Secretary of Commerce in lieu of the present position as Administrative Assistant Secretary of Commerce. (pp. 8744-6.)

#### SENATE

8. TRADE AGREEMENTS. Concurred in the House amendment to a Senate amendment to H. R. 9474, to extend until June 12, 1955, the authority of the President to enter into reciprocal trade agreements (pp. 8764-5). This bill will now be sent to the President.
9. TAXATION. Continued debate on H. R. 8300, the general tax revision bill (pp. 8761, 8774-96). Sens. Douglas and Long discussed the decrease in farm income (pp. 8780, 8783).
10. PRICE SUPPORTS. Sen. Aiken criticized the charge that the President promised 90% price supports during the 1952 campaign, and claimed that the President's speech at Kasson, Minn., was "doctored by deleting words and sentences until



## AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

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JUNE 29, 1954.—Ordered to be printed

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Mr. HOPE, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany S. 2475]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954"*

*SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.*

## TITLE I—SALES FOR FOREIGN CURRENCY

*SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—*

*(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities;*

*(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;*

*(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;*

*(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and*

*(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.*

*SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities from stocks owned by the Corporation or pledged or mortgaged as security for price support loans or from stocks privately owned if the Corporation is not in a position to supply the commodity from its owned stocks: Provided, That to facilitate the use of private trade channels the Corporation, even though it is in a position to supply the commodity, may finance the sale and exportation of privately owned stocks if the Corporation's stocks are reduced through arrangements whereby the private exporter acquires the same commodity of comparable value or quantity from the Commodity Credit Corporation. In supplying commodities to private exporters under such arrangements Commodity Credit Corporation shall not be subject to the sales price restriction in section 407 of the Agricultural Act of 1949, as amended.*

*(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the*



books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$700,000,000.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate.

*Strategic materials, services, or foreign currencies may be accepted in payment of such loans;*

*(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)).*

*Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: Provided, however, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.*

*SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.*

*SEC. 106. As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.*

*SEC. 107. As used in this Act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.*

*SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.*

*SEC. 109. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.*

## **TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE**

*SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.*

*SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation*



stocks to assist programs undertaken with friendly governments or through voluntary relief agencies: Provided, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

SEC. 203. Not more than \$300,000,000 (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

### TITLE III—GENERAL PROVISIONS

SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State."

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other

appropriate department or agency of the Federal Government and inter-governmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

SEC. 303. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barter or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barter or exchanges. Agencies of the United States Government procuring such materials, goods or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

SEC. 305. All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate



*marking on each package or container as being furnished by the people of the United States of America.*

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same with an amendment as follows: Amend the title so as to read: "An Act to increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes."

And the House agree to the same.

CLIFFORD R. HOPE,  
AUG. H. ANDRESEN,  
WILLIAM S. HILL,  
HAROLD D. COOLEY,  
W. R. POAGE,  
*Managers on the Part of the House.*

GEORGE D. AIKEN,  
MILTON R. YOUNG,  
EDWARD J. THYE,  
BOURKE B. HICKENLOOPER,  
ANDREW F. SCHOEPPPEL,  
ALLEN J. ELLENDER,  
OLIN D. JOHNSTON,  
SPESSARD L. HOLLAND,  
CLINTON P. ANDERSON,  
*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of the amendments.

### EXPLANATION OF CHANGES

The House amendment struck out all after the enacting clause of the Senate bill and inserted new language therefor. The Senate disagreed to the House amendment in toto without specific instructions to its conferees and the conference report agreed to by the conferees and submitted herewith is basically the amendment as approved by the House with such changes as were agreed upon in conference.

Except for minor and clarifying amendments the following is an explanation of the differences between the House amendment and the amendment agreed to by the conferees.

Section 101 (a): The committee of conference has added to this subsection the words "and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities". This language is substantially similar to that in the bill as reported by the House Agriculture Committee and is meant to reassure friendly nations that there is no intention on the part of the United States of undertaking a surplus dumping program.

Section 102 (a): The conferees struck out of the first sentence the House language "direction of the President" and substituted "regulations issued by the President pursuant to subsection (b) of this section". The purpose of this change was to make this subsection consistent with the terminology of subsection (b). The committee of conference further amended this section by reinstating, with the exception noted above, the language of the bill substantially as reported by the House Agriculture Committee.

Section 103 (b): The committee of conference struck out "\$1,000,000,000" and substituted "\$700,000,000". This will have the effect of limiting operations under title I to a total of not to exceed \$700,000,000 for the 3 years ending June 30, 1957.

Section 104: The committee of conference amended this section by deleting the reference to section 2, the policy statement of the act. This has the effect of limiting the use of the foreign currencies acquired pursuant to the act to those purposes set out in section 104.

Section 104 (b): Language was added by the conference committee making it clear that in purchasing or contracting to purchase strategic materials pursuant to the provisions of this subsection for a supplemental stockpile the President is not limited to those strategic materials which may have heretofore been purchased, but may acquire new or additional materials.



Subsections 104 (d), (e), and (f): No change is made in the language of these subsections but their intent is modified by language which has been added in the first proviso of section 104 making it clear that foreign currency used for grants under subsections (d) and (e) and to pay United States obligations involved in grants under (f) shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, unless waived by the President.

These provisos in section 104 spell out the situation in which Government agencies and departments must, in the absence of a Presidential determination to the contrary, pay dollars to the Treasury as a prerequisite to expending foreign currency proceeds of sales made under this act. Section 105 (in which the conference committee made no change) requires that any dollars thus disbursed to the Treasury by Government agencies and departments out of appropriated funds, as a prerequisite to their use of foreign currency sales proceeds, shall be used as part of the total reimbursement to the Commodity Credit Corporation.

Section 106: A change made in this section will permit the Secretary of Agriculture to determine in advance that an agricultural commodity may be in surplus.

Section 108: Language added by the conferees will require that reports submitted to the Congress shall include the dollar value of the foreign currency for which commodities are sold.

Section 202: A proviso added by the conference committee requires that the President take reasonable precautions that commodities transferred pursuant to this section will not displace or interfere with sales that might otherwise be made.

Section 203: This section was eliminated from the amendment adopted by the House.

Section 301: The committee of conference adopted language changes recommended by the Department of Agriculture to place on the Secretary of Agriculture the responsibility for establishing terms and conditions for surplus disposal under section 407 of the Agricultural Act of 1949, as amended by this section, and to make the authority for supervising distribution of such commodities consistent with the authority contained in section 416 of the 1949 act and other legislation. The language change also makes it possible to include processed foods (such as cheddar cheese or nonfat dry-milk solids) as well as agricultural commodities.

Section 302: The committee of conference has approved language changes which will broaden the authority to barter surplus commodities for strategic or other materials not produced in adequate quantities in the United States, limiting provisions 3 and 4 of the section to food commodities, eliminating State or Federal penal and corrective institutions as eligible recipients of donated commodities, and changing the language of the sentence relating to assurances that donated food will not diminish normal expenditures for food so that it can be more effectively administered. The new language also eliminates publicly owned hospitals as eligible recipients and substituted the words "charitable institutions, including hospitals, to the extent that needy persons are served". The committee understands that this language and other authority in the section will make possible donation of surplus foods to eleemosynary institutions such as State mental hospitals, etc.

Section 303 of the House amendment was eliminated. This would have amended the "section 32" authority to permit distribution of surplus commodities under that authority to State penal and corrective institutions and the change is made in order to keep this law consistent with the basic authority under section 416 of the Agricultural Act of 1949, as amended by section 302 of this bill.

Section 304 is amended by the adoption of language proposed by the Department of Agriculture which will substantially broaden the barter directive given to the Secretary of Agriculture to include not only strategic materials but also materials, goods, or equipment required in connection with foreign assistance programs and materials or equipment required for offshore construction programs.

Section 305: As approved by the committee of conference the new language of this section is intended to carry out the objectives of section 305 of the House amendment without imposing on the President the virtually impossible administrative responsibility of making a detailed investigation and determination before authorizing the transfer or sale of any surplus agricultural commodity to any nation. The requirement of section 305 (2) as approved by the committee of conference, that the President "assure" that sales of agricultural commodities under this act do not result in increased exports of the same or like commodities to unfriendly nations, is consistent with the same type of requirement of section 102 (d) and means that the President shall obtain assurance from foreign governments that they do not intend, as a result of a purchase under this act, to resell an equivalent quantity of the same or similar commodity to the Soviet bloc.

CLIFFORD R. HOPE,  
AUG. H. ANDRESEN,  
WILLIAM S. HILL,  
HAROLD D. COOLEY,  
W. R. POAGE,

*Managers on the Part of the House.*



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Widnall	Wilson, Calif.	Yates
Wier	Wilson, Ind.	Yorty
Wigglesworth	Winstead	Young
Williams, N. J.	Withrow	Younger
Williams, N. Y.	Wolcott	Zablocki
Willis	Wolverton	

## NOT VOTING—62

Albert	Hale	Meador
Angell	Harvey	Miller, Md.
Barden	Hays, Ohio	Miller, Nebr.
Beamer	Heller	Morgan
Bonin	Hillings	Morrison
Buckley	Holifield	Murray
Burdick	Horan	Norblad
Busbey	Kearns	Pfost
Camp	Kersten, Wls.	Pillion
Chatham	Krueger	Powell
Curtis, Mo.	Lantaff	Regan
Curtis, Nebr.	LeCompte	Riley
Dawson, Ill.	Lesinski	Roberts
Dempsey	Long	St. George
Dingell	Lucas	Smith, Miss.
Dodd	Lyle	Sutton
Donohue	McGregor	Thomas
Donovan	Machrowicz	Weichel
Feighan	Madden	Williams, Miss.
Fernandez	Maillard	Wilson, Tex.
Gregory	Mason	

the 'Agricultural Trade Development and Assistance Act of 1954'.

"SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.

## "TITLE I—SALES FOR FOREIGN CURRENCY

"SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

"(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities;

"(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;

"(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

"(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

"(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.

"SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities from stocks owned by the Corporation or pledged or mortgaged as security for price support loans or from stocks privately owned if the Corporation is not in a position to supply the commodity from its owned stocks: *Provided*, That to facilitate the use of private trade channels the Corporation, even though it is in a position to supply the commodity, may finance the sale and exportation of privately owned

stocks if the Corporation's stocks are reduced through arrangements whereby the private exporter acquires the same commodity of comparable value or quantity from the Commodity Credit Corporation. In supplying commodities to private exporters under such arrangements Commodity Credit Corporation shall not be subject to the sales price restriction in section 407 of the Agricultural Act of 1949, as amended.

"(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

"SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

"(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$700,000,000.

"SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

"(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

"(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

So the resolution was concurred in.

The Clerk announced the following pairs:

Mr. Beamer with Mr. Chatham.  
Mr. Hillings with Mr. Hays of Ohio.  
Mr. Kearns with Mr. Barden.  
Mrs. St. George with Mr. Fernandez.  
Mr. Angell with Mr. Morrison.  
Mr. Bonin with Mr. Machrowicz.  
Mr. Busbey with Mr. Madden.  
Mr. Miller of Nebraska with Mrs. Pfost.  
Mr. Kersten of Wisconsin with Mr. Williams of Mississippi.  
Mr. Krueger with Mr. Heller.  
Mr. LeCompte with Mr. Buckley.  
Mr. McGregor with Mr. Powell.  
Mr. Maillard with Mr. Camp.  
Mr. Mason with Mr. Gregory.  
Mr. Miller of Maryland with Mr. Holifield.  
Mr. Curtis of Nebraska with Mr. Dingell.  
Mr. Pillion with Mr. Dodd.  
Mr. Horan with Mr. Dempsey.  
Mr. Curtis of Missouri with Mr. Feighan.  
Mr. Hale with Mr. Lesinski.  
Mr. Norblad with Mr. Donohue.  
Mr. Meador with Mr. Riley.  
Mr. Dawson of Utah with Mr. Regan.  
Mr. Harvey with Mr. Wilson of Texas.  
Mr. Burdick with Mr. Lyle.  
Mr. Weichel with Mr. Morgan.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

# AGRICULTURAL TRADE DEVELOPMENT ACT OF 1953

Mr. HOPE submitted the following conference report and statement on the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes:

## CONFERENCE REPORT (H. REPT. No. 1947)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as



"(c) To procure military equipment, materials, facilities, and services for the common defense;

"(d) For financing the purchase of goods or services for other friendly countries;

"(e) For promoting balanced economic development and trade among nations;

"(f) To pay United States obligations abroad;

"(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

"(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)):

*Provided, however,* That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

"Sec. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

"Sec. 106. As used in this Act, 'surplus agricultural commodity' shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

"Sec. 107. As used in this Act, 'friendly nation' means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

"Sec. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.

"Sec. 109. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

#### "TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

"Sec. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States

in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

"Sec. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided,* That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

"Sec. 203. Not more than \$300,000,000 (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

"Sec. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

#### "TITLE III—GENERAL PROVISIONS

"Sec. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: 'Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State.'

"Sec. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

"Sec. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3)

above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States.'

"Sec. 303. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barter or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barter or exchanges. Agencies of the United States Government procuring such materials, goods or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

"Sec. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

"Sec. 305. All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being fur-



nished by the people of the United States of America."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same with an amendment as follows: Amend the title so as to read: "An Act to increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes."

And the House agree to the same.

CLIFFORD R. HOPE,  
AUG. H. ANDRESEN,  
WILLIAM S. HILL,  
HAROLD D. COOLEY,  
W. R. POAGE,

*Managers on the Part of the House.*

GEORGE AIKEN,  
MILTON R. YOUNG,  
EDWARD J. THYE,  
BOURKE B. HICKENLOOPER,  
ANDREW F. SCHOEPPPEL,  
ALLEN J. ELLENDER,  
OLIN D. JOHNSTON,  
SPESSARD L. HOLLAND,  
CLINTON P. ANDERSON,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of the amendments.

#### EXPLANATION OF CHANGES

The House amendment struck out all after the enacting clause of the Senate bill and inserted new language therefor. The Senate disagreed to the House amendment in toto, without specific instructions to its conferees, and the conference report agreed to by the conferees and submitted herewith is basically the amendment as approved by the House with such changes as were agreed upon in conference.

Except for minor and clarifying amendments the following is an explanation of the differences between the House amendment and the amendment agreed to by the conferees.

Section 101 (a): The committee of conference has added to this subsection the words "and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities". This language is substantially similar to that in the bill as reported by the House Agriculture Committee and is meant to reassure friendly nations that there is no intention on the part of the United States of undertaking a surplus dumping program.

Section 102 (a): The conferees struck out of the first sentence the House language "direction of the President" and substituted "regulations issued by the President pursuant to subsection (b) of this section". The purpose of this change was to make this subsection consistent with the terminology of subsection (b). The committee of conference further amended this section by reinstating, with the exception noted above, the language of the bill substantially as reported by the House Agriculture Committee.

Section 103 (b): The committee of conference struck out "\$1,000,000,000" and substituted "\$700,000,000". This will have the effect of limiting operations under title I to a total of not to exceed \$700,000,000 for the 3 years ending June 30, 1957.

Section 104: The committee of conference amended this section by deleting the reference to section 2, the policy statement of

the act. This has the effect of limiting the use of the foreign currencies acquired pursuant to the act to those purposes set out in section 104.

Section 104 (b): Language was added by the conference committee making it clear that in purchasing or contracting to purchase strategic materials pursuant to the provisions of this subsection for a supplemental stockpile the President is not limited to those strategic materials which may have heretofore been purchased, but may acquire new or additional materials.

Subsections 104 (d), (e), and (f): No change is made in the language of these subsections but their intent is modified by language which has been added in the first proviso of section 104 making it clear that foreign currency used for grants under subsections (d) and (e) and to pay United States obligations involved in grants under (f) shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, unless waived by the President.

These provisos in section 104 spell out the situation in which Government agencies and departments must, in the absence of a Presidential determination to the contrary, pay dollars to the Treasury as a prerequisite to expending foreign currency proceeds of sales made under this act. Section 105 (in which the conference committee made no change) requires that any dollars thus disbursed to the Treasury by Government agencies and departments out of appropriated funds, as a prerequisite to their use of foreign currency sales proceeds, shall be used as part of the total reimbursement to the Commodity Credit Corporation.

Section 106: A change made in this section will permit the Secretary of Agriculture to determine in advance that an agricultural commodity may be in surplus.

Section 108: Language added by the conferees will require that reports submitted to the Congress shall include the dollar value of the foreign currency for which commodities are sold.

Section 202: A proviso added by the conference committee requires that the President take reasonable precautions that commodities transferred pursuant to this section will not displace or interfere with sales that might otherwise be made.

Section 203: This section was eliminated from the amendment adopted by the House.

Section 301: The committee of conference adopted language changes recommended by the Department of Agriculture to place on the Secretary of Agriculture the responsibility for establishing terms and conditions for surplus disposal under section 407 of the Agricultural Act of 1949, as amended by this section, and to make the authority for supervising distribution of such commodities consistent with the authority contained in section 416 of the 1949 act and other legislation. The language change also makes it possible to include processed foods (such as cheddar cheese or nonfat dry-milk solids) as well as agricultural commodities.

Section 302: The committee of conference has approved language changes which will broaden the authority to barter surplus commodities for strategic or other materials not produced in adequate quantities in the United States, limiting provisions 3 and 4 of the section to food commodities, eliminating State or Federal penal and corrective institutions as eligible recipients of donated commodities, and changing the language of the sentence relating to assurances that donated food will not diminish normal expenditures for food so that it can be more effectively administered. The new language also eliminates publicly owned hospitals as eligible recipients and substituted the words "charitable institutions, including hospitals, to the extent that needy persons are served". The committee understands that this language and other authority in the section will

make possible donation of surplus foods to eleemosynary institutions such as State mental hospitals, etc.

Section 303 of the House amendment was eliminated. This would have amended the "section 32" authority to permit distribution of surplus commodities under that authority to State penal and corrective institutions and the change is made in order to keep this law consistent with the basic authority under section 416 of the Agricultural Act of 1949, as amended by section 302 of this bill.

Section 304 is amended by the adoption of language proposed by the Department of Agriculture which will substantially broaden the barter directive given to the Secretary of Agriculture to include not only strategic materials but also materials, goods, or equipment required in connection with foreign assistance programs and materials or equipment required for offshore construction programs.

Section 305: As approved by the committee of conference the new language of this section is intended to carry out the objectives of section 305 of the House amendment without imposing on the President the virtually impossible administrative responsibility of making a detailed investigation and determination before authorizing the transfer or sale of any surplus agricultural commodity to any nation. The requirement of section 305 (2) as approved by the committee of conference, that the President "assure" that sales of agricultural commodities under this act do not result in increased exports of the same or like commodities to unfriendly nations, is consistent with the same type of requirement of section 102 (d) and means that the President shall obtain assurance from foreign governments that they do not intend, as a result of a purchase under this act, to resell an equivalent quantity of the same or similar commodity to the Soviet bloc.

CLIFFORD R. HOPE,  
AUG. H. ANDRESEN,  
WILLIAM S. HILL,  
HAROLD D. COOLEY,  
W. R. POAGE,

*Managers on the Part of the House.*

#### PERMISSION TO SIT DURING GENERAL DEBATE TOMORROW

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may sit during general debate in the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### JAKE ALEXANDER—VETO MESSAGE (H. DOC. NO. 457)

The SPEAKER laid before the House the following veto message from the President of the United States, which was read by the Clerk:

*To the House of Representatives:*

I return herewith without my approval, H. R. 1128 entitled "An act authorizing the Secretary of the Interior to issue to Jake Alexander a patent in fee to certain lands in the State of Alabama."

This private bill authorizes and directs the Secretary of the Interior to convey without consideration to Jake Alexander 160 acres of unappropriated public lands withdrawn from entry as part of the William B. Bankhead National Forest, Ala.



I feel that this special legislation is unnecessary because cases of this kind can and should be taken care of under existing law. Public Law 159, 83d Congress, broadened the Color of Title Act of December 22, 1928, specifically to cover claims similar to the one involved in H. R. 1128.

A basic requirement of the Color of Title Act is payment to the United States of the appraised value of lands patented thereunder. In this respect I feel that H. R. 1128 would discriminate against the interest of the United States, as well as other color-of-title claimants, by exempting this particular claimant from payment of any consideration.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 29, 1954.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection the bill and the message will be referred to the Committee on Interior and Insular Affairs.

There was no objection.

#### MUTUAL SECURITY ACT OF 1954

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9678, with Mr. BROWN of Ohio in the chair.

The Clerk read the title of the bill.

Mr. RICHARDS. Mr. Chairman, I yield the balance of the time on this side to our distinguished minority leader, the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I am supporting this bill. I am not supporting it grudgingly; I am supporting it wholeheartedly.

I supported this program during former administrations. A change of administration does not change my principles.

I have been for a bipartisan foreign policy all along, and I am for a bipartisan policy in domestic affairs also, as long as that can be maintained and the minority maintain its principles. We who are in the minority, however, and are trying to be a loyal opposition, who are seeking to help those in authority perform their functions and make our country strong and keep it great, are put to a terrible strain at times. Some people high in this administration nearly every week are making statements about former administrations that really make the blood of some of us boil. Inane speeches and untrue things are being said when we, upon every matter of foreign policy that has been brought forward, have been going along, I think, with more unanimity than the majority party, and I do not say that in criticism. But I trust that in the future, especially when bills like this are coming before

the House the following day, such leaders in the Republican Party as the Vice President of the United States may be a little more careful about the statements they make than was the Vice President of the United States on last Saturday night. I deeply regret it, because I want a united country to face that danger that I know this world faces today. If the people in this great democracy do not stand together, if we cannot agree to go in the same direction, then not only our country but this sad world will be in a mighty, mighty bad plight.

I want us to have friends in this world. I heard a great man stand in this place one time and say that the people of the United States were the most peaceable people in the world, but when aroused they were the most warlike; they would go to war nearer 100 percent than any other peoples upon the face of the earth and, if called upon, they were willing to meet a world in arms. I think they would be willing to do that now, but I hope and pray that we do not have to meet the world or any great sector of this world in arms alone. If we had not already done some things under the leadership of prior administrations, and the Secretaries of State, that have been so violently and unjustly criticized, we would probably be standing alone in the world today.

I supported the Marshall plan as did many, and a vast majority on both sides of the aisle. I am always glad when I can say a thing like that. They said at the time, "Why should we spend our money to help rehabilitate war-torn Europe?" Well, you know, France and Italy stood shattered, broken, at the end of World War II. Take a man in France, with her transportation destroyed, with her factories in ashes, sitting under what was his vine and fig tree, with hands willing to work to make a living for himself and those dependent upon him but with no work for his hands to do. That country had to be rehabilitated, because when the man whose hands are willing to work to support himself and those dependent upon him cannot do that under the government he has, he will vote for any change, because he cannot make it worse than to starve and freeze to death. If it had not been for the operation of these plans and this money that we expended, I regret to say, but in honesty I must say, that many of these countries would today be in the bosom of communism. Then they would not have been our allies in any sense of the word, in peace or in war. I am not going to criticize any of these friendly nations today, as I heard some of them criticised yesterday, to my deep regret. Take our great ally, who has been our ally since 1778, France. There is a country which has tried to maintain itself as a democracy. They have tried to be our friend. They want to be our friend today. But the people of the United States who talk lightly about France and Italy have never known what it means to have their country riven and torn and destroyed by the earthquake shocks of war. If we had had that condition in this country, we probably would look upon these matters in a somewhat different fashion.

Ah, my friends, I was here during World War I, when we went to war 100 percent, when we were willing to join the other countries of the world in preserving democracy. Then I saw us draw back into the shadows of isolationism. I saw a great President bring back a charter of peace to this country and it was spurned. That great scholar-statesman cried out at that time, "If this greatest of all democracies in the world does not join with other peace-loving peoples in the world to bring about a league of peace, this world will be shocked and torn by another and more devastating war in a quarter of a century." We did not join. At that time many people thought we could wrap two oceans around us and be safe and secure from attack from anywhere. But that war did come.

The President of the United States recommended money for defense and I stood in this well, as majority leader, in 1938, in 1939, in 1940, and even up until the fall of 1941, after I had taken the chair that my honorable friend from Massachusetts [Mr. MARTIN] occupies now, and pleaded for strength, saying that we would be drawn into this war, that it would cost us many billions more than it would have cost at that time to make ourselves strong, and that we would sacrifice the lives of untold numbers of American boys and girls; but our pleas were not heeded.

We were drawn into the war and it cost us in less than 5 years more than 400 billions of dollars to come out of that war victorious.

Do we want allies? We do and we must have them. And after they have been torn and broken by war and its devastation, they must have help from somewhere. I am willing to give it to them as I was before World War II. I am willing to spend some billions to help our allies and the other democracies of the world to be strong and stay strong.

I thought the Marshall plan money and I think this aid money is the best defense money that the United States of America has ever spent or can spend. It is not a question of helping somebody. It is not a question of a handout to somebody. It is a question of appropriating this money to some of these countries that are poor and cannot do it for themselves, to help them to get on their feet economically so that they can spend some money to keep themselves free, to help us and to help themselves remain free.

These are just a few thoughts that I wanted to leave with you before we begin reading this bill for amendment.

If this bill is amended with amendments that will tear and rend it, and not leave in it enough power or enough money to operate and carry out the purposes, then we might as well not perform this act or make this gesture.

I think I know, as many others in my presence know, the serious situation that faces us and all of the other democracies of the world. This earth of yours and mine is tinder. A match struck or a gun fired, one, in some part of the earth may bring a holocaust.

You know, when the ingenuity of man, the mind of man, which has the spark









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 1, 1954  
For actions of June 30, 1954  
83rd-2nd, No. 121

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HIGHLIGHTS: Both Houses agreed to conference report on surplus commodities bill. House debated farm program bill. House passed foreign aid bill. House committee approved \$20 million item for USDA flood control. Both Houses agreed to conference reports on Labor-HEW and State, Justice, Commerce appropriation bills. House passed temporary appropriations continuation measure. Senate debated tax revision bill. Sen. Aiken and Rep. Wolcott introduced bills to increase CCC borrowing power.

## HOUSE

1. SURPLUS COMMODITIES. Both Houses agreed to the conference report on S. 2475, to provide various methods for disposal of surplus commodities (pp. 8878, 8804). This bill will now be sent to the President.
2. FARM PROGRAM. Began and concluded general debate on H. R. 9680, to provide for continued price support for agricultural products, to augment the marketing and disposal of such products, to provide for greater stability in the products of agriculture, etc. The bill will be read for amendment beginning today. (pp. 8896-946.)
3. FOREIGN AID. Passed, 260-126, with amendments H. R. 9678, to authorize foreign aid appropriations for 1955 (pp. 8878-94). Agreed to an amendment by Rep. Tollefson requiring that at least 50% of the commodities exported under the bill be carried in American-flag vessels (pp. 8879-85).
4. APPROPRIATIONS. Both Houses agreed to conference reports on the following bills and completed congressional action so that they are ready for Presidential action: H. R. 9203, Legislative-Judiciary bill (pp. 8873-4, 8802-3). H. R. 9447, Labor-HEW bill (pp. 8874-5, 8800-1). H. R. 8067, State, Justice, Commerce bill (pp. 8875-8, 8801). The House concurred in the Senate amendments to

provide \$16,000,000 for a census of agriculture and to provide a position as Assistant Secretary of Commerce in lieu of an Administrative Assistant Secretary (p. 8877).

Passed without amendment H. J. Res. 552, to continue appropriations for foreign aid and various other activities pending enactment of regular appropriations. This measure had been reported by the Appropriations Committee earlier in the day (H. Rept. 2008). (pp. 8949, 8944-5.)

5. FLOOD CONTROL. During consideration of a proposed omnibus flood-control bill, the Public Works Committee approved an authorization item of \$20 million for the work of this Department on watersheds (p. D763).

#### SENATE

6. TAXATION. Continued debate on H. R. 8300, the general tax revision bill (pp. 8813-65, 8868-9).
7. INSECT AND PLANT-DISEASE CONTROL. Received from this Department a proposed bill to authorize cooperation with Mexico and Canada in the control of incipient or emergency outbreaks of insect pests or plant diseases in those countries; to Agriculture and Forestry Committee (p. 8804).
8. TRADE AGREEMENTS. Received from the Tariff Commission a report on the operation of the trade agreements program; to Finance Committee (p. 8804).
9. PROPERTY. A Government Operations subcommittee voted to recommend to the full committee approval of H. R. 5605, to amend the Federal Property and Administrative Services Act to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such real property from local tax rolls (p. D760).
10. RETIREMENT. Sen. Morse inserted a National Association of Retired Civil Employees of Eugene, Oreg., resolution favoring H. R. 8894, to provide that annuity increases be placed on a permanent basis (p. 8870).
11. PRICE SUPPORTS. Sen. Morse inserted a Riverview Farmers' Union, Oreg., resolution favoring continuation of rigid price supports (p. 8871).
12. FLOOD CONTROL. Sen. Morse inserted a Coos County, Oreg., Farm Bureau resolution favoring the Coquille River flood-control project as an aid to irrigation and watershed development (p. 8871).

#### BILLS INTRODUCED

13. COMMODITY CREDIT CORPORATION. S. 3686, by Sen. Aiken, and H. R. 9756, by Rep. Wolcott, to increase the borrowing authority of CCC by \$1½ billion additional; to Senate Agriculture and Forestry Committee and House Banking and Currency Committee (pp. 8805, 8949).
14. SURPLUS COMMODITIES. H. R. 9752, by Rep. Knox, to provide supplementary benefits for recipients of public assistance under Social Security Act programs through the issuance of certificates to be used to obtain surplus agricultural commodities; to Agriculture Committee (p. 8949). Remarks of author (pp. A4758-9).
15. ELECTRIFICATION. H. R. 9751, by Rep. Rhodes, Ariz., to authorize Interior to sell certain Parker-Davis transmission facilities; to Interior and Insular Affairs Committee (p. 8949).



Regular annual appropriation acts, fiscal year 1955, June 30, 1954

Bill No.	Title	House budget estimate	Senate budget estimate	Reported to House	Passed by House	Reported to Senate	Passed by Senate	Conference agreement	Conference agreement compared with Senate budget estimate (+ increase; - decrease)
8779	Agriculture.....	698,741,813	698,741,813	698,741,813	720,102,654	722,791,971	725,351,971	723,683,150	+24,941,337
8367	Army, civil functions.....	465,160,000	465,160,000	430,983,700	430,983,700	484,095,500	484,095,500	457,071,300	-8,088,700
8873	Armed services.....	29,887,055,000	29,887,055,000	28,680,706,500	28,684,250,486	28,861,584,486	29,217,106,486	28,800,125,486	-1,086,929,514
9517	District of Columbia.....	(172,476,546)	(172,476,546)	(168,487,838)	(168,487,838)	(170,359,816)	(170,438,847)	(169,928,099)	-(2,548,447)
	Federal contributions.....	21,890,000	21,890,000	17,890,000	21,890,000	21,890,000	21,890,000	21,890,000	
8583	Independent offices.....	5,929,723,600	5,987,622,360	5,566,118,763	5,566,118,763	5,700,729,413	5,700,775,413	5,651,770,063	-335,852,297
8680	Interior.....	422,118,430	427,751,110	363,360,989	364,337,989	427,601,006	427,601,006	405,936,149	-21,814,961
9447	Labor, HEW.....	1,965,285,261	1,965,285,261	1,948,946,011	1,970,378,761	1,982,469,761	1,983,182,761	1,975,198,261	+9,913,000
9203	Legislative-Judiciary.....	87,063,993	102,349,911	82,305,945	82,355,945	98,748,141	98,773,141	98,197,494	-4,152,417
8067	State, Justice and Commerce.....	1,313,920,960	1,313,920,960	1,146,988,000	1,168,988,000	1,140,821,280	1,140,821,280	1,201,710,500	-112,210,460
7893	Treasury, Post Office.....	3,338,783,000	3,338,783,000	3,333,241,600	3,333,241,600	3,332,732,700	3,332,732,700	3,332,732,700	-6,050,300
	Total.....	44,129,742,057	44,208,559,415	42,269,283,321	42,342,647,898	42,773,464,258	43,132,330,258	42,668,315,103	-1,540,244,312

1 Does not include \$355,522,000 representing items budgeted for deposit to the United States Treasury as an offset to the use of foreign currencies. Language has been included authorizing such use without equal deposit in U. S. Treasury.

Mr. BRIDGES. Mr. President, so far as I know this is the second time in the last decade, and one of the few times in a quarter of a century, when the regular appropriation bills have been completed by the two Houses and sent to the President before the expiration of the fiscal year. This fortunate result has been accomplished by teamwork. The Senator from New Hampshire is proud to be chairman of the committee that has worked so conscientiously to make possible this achievement. I pay tribute to members of the committee representing both political parties.

There now remain only the supplemental appropriation bill, which will come before the Senate toward the latter part of the session, and the foreign aid bill, which has not yet been authorized by the Congress. Both bills yet to be acted upon are wholly outside the regular appropriation bills.

I am hopeful that the authorization for the foreign aid bill will soon be passed, so that by the middle of the month we will be able to start hearings on the appropriations bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

The Chair hears none. Without objection, the report is agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 9203, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,  
June 30, 1954.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 9, 11, 14, 15, 17, 23, 24, 25, 26, 27, 31, 32, 36, 40, 42, 43, 44, 45, 46, 47, and 63 to the bill (H. R. 9203) making appropriations for the legislative branch and the Judiciary branch for the fiscal year ending June 30, 1955, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 22, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "\$120,775."

Mr. BRIDGES. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 22.

The motion was agreed to.

Mr. FULBRIGHT subsequently said: Mr. President, I was not in the Chamber

when the conference report on the legislative-judiciary appropriation bill was considered, although I had intended to be here.

I ask unanimous consent to have printed in the RECORD, at the end of the consideration of the conference report, an editorial entitled, "It Is the National Library," published in the Washington Sunday Star of June 27, 1954.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT IS THE NATIONAL LIBRARY

The Senate Appropriations Committee has voted to restore \$785,388 of the \$1,294,883 cut made in the Library of Congress allotment for fiscal 1955 by the House, and it certainly is to be hoped that both groups now will agree to granting the full amount needed in conference. Unless this is done many skilled and experienced employees of the Library must be dismissed; and the service of the Library both to the Congress and the country at large diminished accordingly in quantity and quality alike. The Library has been on a starvation diet for many years, and it is little short of a miracle that its staff has been able to perform as creditably as it has. To add to the existing difficulties by insisting upon arbitrary and obviously unwise contractions and restrictions would be contrary to sound public policy.

If the recent controversy over the Library's status and function yields no other result than that of reaffirming its historic character as the Nation's Library as well as the Congress', it will not have been useless. The Library of Congress never from the start was "an arm of the Congress" exclusively. It always has been the property and the concern of the whole American people, and as

such without question it should be maintained adequately and operated efficiently at taxpayers' expense. That policy has paid in the past and should pay in the future. It has brought the Library gifts valued at more than \$20 million in recent years. As far back as 1912 President William Howard Taft acknowledged a contribution from J. Pierpont Morgan in words which have special meaning today. "I note," he wrote to the donor, "that you wish to present this collection (of the papers of the signers of the Declaration of Independence) to the United States of America, to be placed in the National Library and administered therein by the Library authorities."

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent to have printed in the RECORD, following action on the conference report on the Legislative-Judiciary appropriation bill, a table showing the effect of the conference report on the Library of Congress.

The table indicates that the action taken by the committee of conference, as disclosed in the conference report, will result in the abolition of 65 positions in the Library, because according to an estimate which has been prepared by the Library, at my request, I may say, the total effective reduction is \$281,756. I desire to have the RECORD show very clearly what has been happening, because I do not believe the Senate or the people of the country as a whole wish substantially to curtail or injure the operations of the Library of Congress.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Library of Congress—Effect of conference report June 29, 1954

	Appropriations, 1954	Conference report	Increase or decrease	Expenses to be absorbed	Total effective reduction	Positions to be abolished
Salaries and expenses, Library of Congress.....	\$4,810,272	\$4,717,636	—\$92,636	1—\$26,500 2—68,935	—\$188,071	44
Salaries and expenses, Copyright Office.....	1,100,000	1,100,000	-----	2—19,548	—19,548	6
Salaries and expenses, Legislative Reference Service.....	901,721	875,000	—26,721	2—12,204 2—11,412	—38,925	7
Salaries and expenses, distribution of catalog cards.....	1,264,800	1,332,000	+67,200	3—43,500 4—40,000	—27,712	8
Increase of the Library of Congress, general.....	270,000	260,000	—10,000	-----	—10,000	-----
Increase of the Law Library.....	90,000	90,000	-----	-----	-----	-----
Books for the Supreme Court.....	22,500	25,000	+2,500	-----	+2,500	-----
Books for the blind.....	1,000,000	1,000,000	-----	-----	-----	-----
Total.....	9,459,293	9,399,636	—59,657	—222,099	—281,756	65

1 Penalty-mail costs under Public Law 286, for which no provision has been made.  
2 Within-grade increases, required by law, for existing staff.  
3 Penalty-mail costs under Public Law 286, which will be passed on to card subscribers and be reimbursed to the Treasury.  
4 Purchase of copies of quinquennial catalog, for the printing of which arrangements have been made with a private publisher with a consequent saving of \$158,895.



# AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—CONFERENCE REPORT

Mr. AIKEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 29, 1954, pp. 8673-8675, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. AIKEN. Mr. President, the conferees of the House and Senate unanimously agreed upon the provisions and the terminology of the bill as it was worked out in conference. I will explain the action of the conferees if it is so desired. If it is not, I ask unanimous consent to have an explanation of the action of the conferees printed in the RECORD at this point in my remarks.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

## EXPLANATION OF ACTION OF CONFEREES ON S. 2475

S. 2475 as it passed the Senate provided for the sale of surplus agricultural commodities for foreign currencies, and for the use of the foreign currencies so acquired for the purposes set out in subsections (b), (c), (d), and (e) of section 550 of the Mutual Security Act of 1951. The House amendment, which was in the nature of a substitute for the Senate bill, consisted of three titles. Title I revised and refined the provisions of the Senate bill. Title II added provisions for the transfer of up to \$300 million worth of surplus commodities for famine and other foreign relief. Title III added (1) permanent provisions for the use of surplus agricultural commodities for domestic and foreign relief and for barter for strategic materials, (2) a limitation upon sales and transfers which might aid Iron-Curtain countries, and (3) a provision for the appropriate marking of relief packages. Programs under titles I and II could be undertaken only until June 30, 1957.

The conferees agreed upon a substitute for the House amendment which, while following generally the language of the House amendment, would—

1. Require the President to take reasonable precaution that sales for foreign currencies under title I would not unduly disrupt world prices;
2. Provide for the sale and financing of exportation of such commodities by the Commodity Credit Corporation in accordance with regulations, rather than directions, of the President;
3. Provide for financing the exportation of privately owned commodities, even though Commodity Credit Corporation might be in a position to supply such commodities, upon condition that the private stocks then be replenished from the Corporation's inventory;
4. Reduce the amount authorized for sales for foreign currencies from \$1 billion to \$7 million;

5. Limit the purposes for which the foreign currencies could be expended without regard to section 1415 of the Supplemental Appropriation Act, 1953 (which requires their appropriation), to the purposes enumerated in section 104, rather than to all of the purposes set forth in section 2;

6. Make said section 1415 applicable to all foreign currencies used for grants under subsections (d) and (e) of section 104 and for payment of United States obligations involving grants under subsection (f) of section 104;

7. Provide that in making grants under section 202 the President should avoid displacing or interfering with sales that might otherwise be made;

8. Strike out section 203, which would have permitted the use of \$100 million worth of surplus agricultural commodities without regard to the Mutual Defense Assistance Control Act of 1951;

9. Enlarge section 301 to permit relief in domestic distress areas in the form of products (such as cheddar cheese and nonfat dry-milk solids), as well as farm commodities, and give the Department of Agriculture the responsibility of supervising distribution of commodities under this section consistent with the supervision that it exercises under section 32 of Public Law 320 of the 74th Congress;

10. Perfect the amendment made by section 302 to section 416 of the Agricultural Act of 1949 and strike out State or Federal penal and corrective institutions as eligible recipients;

11. Strike out section 303, which would have made State penal and corrective institutions eligible recipients for commodities distributed with section 32 funds;

12. Enlarge section 304 (sec. 303 of the conference substitute) to provide for barter for materials required in foreign assistance programs or offshore construction and to require procurement agencies to cooperate in disposing of surplus commodities by means of such barter; and

13. Revise section 305 (sec. 304 of the conference substitute) to require the President to exercise the authority contained in the act (A) to assist friendly nations to be independent of trade with Iron Curtain countries for food, raw material, and markets, and (B) to assure that commodities sold or transferred under the act do not result in increased availability to unfriendly nations of those or like commodities.

The conference committee also made several minor changes in language and amended the title of the bill to read: "An act to increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes."

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. Mr. President, I should like to say that the report is a unanimous one. All the conferees of both the Senate and the House signed the report. We feel that the bill is an improvement over the one which passed the Senate. It contains the two points of view, first, that, out of the abundance of the productivity of our farms we should make some of it available to minister to the want and sufferings of others. That point of view is subserved by title II of the bill.

Second, that we should also recognize that with agriculture more seriously affected from the standpoint of diminished international trade than is true of any other segment of our economy, we are justified in doing all within our power to help to rebuild the markets for our

agriculture abroad. That objective is subserved in title I of the bill.

I think it is a completely nonpartisan and bipartisan measure providing for the intelligent use of our abundant agricultural resources and an intelligent plan to help those products of our agricultural economy which are unfortunately in a high-surplus situation.

Mr. President, I congratulate the distinguished Senator from Vermont upon his leadership in this matter, as also the senior Senator from Kansas, who, I believe, was the author of the Senate bill. I believe this bill marks a very real step forward in both of the fields which I have mentioned.

Mr. AIKEN. Mr. President, the members of the committee worked diligently and conscientiously to find the proper wording for the provisions of the bill.

I move that the Senate agree to the conference report.

The PRESIDING OFFICER. The question is on the motion of the Senator from Vermont that the Senate agree to the conference report.

The motion was agreed to.

## TRANSACTION OF ROUTINE BUSINESS

The PRESIDING OFFICER. Under the order previously entered, morning business is now in order, under the application of the 2-minute rule.

## EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

### CONTROL OF INCIPIENT OR EMERGENCY OUTBREAKS OF INSECT PESTS OR PLANT DISEASES

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the act of April 6, 1937, as amended, to include cooperation with the Governments of Canada or Mexico or local Canadian or Mexican authorities for the control of incipient or emergency outbreaks of insect pests or plant diseases (with an accompanying paper); to the Committee on Agriculture and Forestry.

### FIXING OF FEES PAYABLE TO PATENT OFFICE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to fix the fees payable to the Patent Office and for other purposes (with accompanying papers); to the Committee on the Judiciary.

### REPORT ON OPERATION OF TRADE AGREEMENTS PROGRAM

A letter from the Chairman, United States Tariff Commission, transmitting, pursuant to Executive Order 10082, dated October 5, 1949, a report by that Commission on the operation of the Trade Agreements Program (with an accompanying report); to the Committee on Finance.

## ARMED FORCES DAY—RESOLUTION OF ALLIED VETERANS COUNCIL OF MILWAUKEE COUNTY, WIS.

Mr. WILEY. Mr. President, I received yesterday from Lester J. Dencker, president of the Allied Veterans Council of Milwaukee County, a resolution on the important issue of appropriate remembrance of the sacrifices of America's heroes through Memorial Day and appropriate recognition of United States defense needs through Armed Forces Day.



new, fine Under Secretary, Charles Saltzman has a chance to revitalize itself.

#### PERSONAL ANNOUNCEMENT

The SPEAKER. The Chair recognizes the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, yesterday when the House voted on the Guatemala resolution, Senate Concurrent Resolution 91, I was necessarily absent because I had to be at the hospital for treatment. Had I been present, I would have voted "yea."

#### REPUBLIC OF THE PHILIPPINES

Mr. ALLEN of Illinois submitted the following conference report and statement on the joint resolution (S. J. Res. 72) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the inter-island commerce of the Philippines, and for other purposes:

##### CONFERENCE REPORT (H. REPT. No. 2003)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the resolution (S. J. Res. 72) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same.

JOHN J. ALLEN, Jr.  
HORACE SEELY-BROWN, Jr.  
TIMOTHY P. SHEEHAN,  
HERBERT C. BONNER,  
EDWARD A. GARMATZ,

*Managers on the Part of the House.*

JOHN M. BUTLER,  
CHARLES E. POTTER,  
FREDERICK G. PAYNE,  
WARREN G. MAGNUSON,  
GEORGE A. SMATHERS,

*Managers on the Part of the Senate.*

##### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the resolution (S. J. Res. 72) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Senate Joint Resolution 72 as passed by the Senate provided for the sale of eight specified ships to citizens of the Republic of the Philippines. As amended by the House, the resolution substituted therefor the extension of the existing authority to charter the vessels for an additional year commencing July 1, 1954. The Senate recedes and concurs.

In the course of the hearings on the resolution held by the appropriate committees of both Houses, it appeared that the Republic of the Philippines has been practicing various discriminations against citizens of the United States. These discriminations

ranged from selective imposition of an excise tax on transportation of persons, and nonuniform application of a currency-exchange tax, to the establishment by legislation of import quotas on tobacco, which constituted a violation of the spirit, if not the letter, of the Philippine Trade Act, of 1946.

It was the view of the conference committee that in the event that authority to purchase these vessels is sought from the next Congress, consideration might well be given to permitting the application of a portion of the next year's charter hire to the purchase price if in the meantime appropriate action has been taken to remove the discriminations.

JOHN J. ALLEN, Jr.,  
HORACE SEELY-BROWN, Jr.,  
TIMOTHY P. SHEEHAN,  
HERBERT C. BONNER,  
EDWARD A. GARMATZ,

*Managers on the Part of the House.*

#### CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-two Members are present, not a quorum.

Mr. ALLEN of Illinois. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

##### [Roll No. 90]

Albert	Hale	Miller, Nebr.
Angell	Hays, Ohio	Morrison
Beamer	Heller	Murray
Bentsen	Hillings	Norblad
Bonin	Hollifield	Pfost
Buckley	Horan	Pillion
Burdick	Kersten, Wis.	Powell
Busbey	LeCompte	Regan
Camp	Lesinski	Riley
Chatham	Long	Shafer
Curtis, Nebr.	Lucas	Sutton
Dawson, Ill.	Lyle	Welchel
Dingell	Machrowicz	Wheeler
Dodd	Mailliard	Wilson, Tex.
Feighan	Mason	
Grant	Meador	

The SPEAKER. On this rollcall 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. HOPE. Mr. Speaker, I call up the conference report on the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 29, 1954.)

Mr. BAILEY. Mr. Speaker, will the gentleman from Kansas yield so that I

may ask him as to the changes made in section 302 relative to strategic materials?

Mr. HOPE. Yes, I will be happy to yield to the gentleman from West Virginia.

There was a slight change made in the conference in section 302. It broadens the authority somewhat to use surplus commodities to barter for strategic and other materials not produced in adequate quantities in the United States. That is the only difference that is made as far as strategic materials are concerned.

Mr. BAILEY. The strategic materials we can trade for are those not produced in the United States?

Mr. HOPE. Not necessarily those not produced in the United States. I will read the language to the gentleman. In the statement of the conferees we made it clear that the interpretation is that surplus commodities may be bartered for materials which are not produced in adequate quantities in the United States. That is the interpretation which the House conferees put on the language contained in the bill.

Mr. BAILEY. There is no other change made affecting section 302?

Mr. HOPE. There are some other slight changes in section 302, but not affecting strategic materials.

Mr. Speaker, to more directly answer the gentleman's question as to the provision in the conference bill, the language which relates to barter reads as follows:

To barter or exchange such commodities for strategic or other materials as authorized by law.

Then, in our report of the House conferees, we state that that is to apply to strategic materials which are not produced in adequate quantities in the United States. So I think that protects the gentleman in the respect in which he is interested.

Mr. BAILEY. I thank the gentleman from Kansas for the information.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

#### CONSTRUCTION OF CERTAIN NAVAL VESSELS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (H. R. 8571) to authorize the construction of naval vessels, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ARENDS, VINSON, and DEVEREUX.

#### MUTUAL SECURITY ACT OF 1954

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the



The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 27, line 15, insert:

"Census of agriculture: For expenses necessary for taking, compiling, and publishing the 1954 Census of Agriculture, as authorized by law, including personal services by contract or otherwise at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended; and additional compensation of Federal employees temporarily detailed for field work under this appropriation: \$16,000,000, to become immediately available and to remain available until December 31, 1959 (13 U. S. C. 216, as amended by 66 Stat. 736).

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 43, line 12, insert ": Provided, That no part of this appropriation shall be allocated for expenditure in a particular country unless such allocation shall have been submitted to and received by the Senate and House Appropriations Committees 30 days in advance of the allocation."

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CLEVENGER moves that the House recede from its disagreement to the amendment of the Senate numbered 40, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert ": Provided, That no part of this appropriation shall be allocated for expenditures in a particular country except with the approval of the President and a report to the Appropriations Committees of the House and Senate."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 47, line 23, insert:

"Sec. 304. There shall be hereafter in the Department of Commerce, in addition to the Assistant Secretaries now provided for by law, one additional Assistant Secretary of Commerce, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall be subject in all respects to the provisions of the act of July 15, 1947 (61 Stat. 326), as amended (5 U. S. C. 592a), relating to Assistant Secretaries of Commerce. Section 3 of Reorganization Plan No. 5 of 1950, as amended (64 Stat. 1263; 66 Stat. 121), is hereby repealed."

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 51, line 19, insert "of which \$3,200,000 shall be derived by transfer from the unobligated balance in the account 'International Information Activities, United States Information Agency.'"

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Senate amendment No. 49: Page 51, line 25, insert "and of which not less than \$300,000 shall be available for contracts with one or more private international broadcasting licensees for the purpose of developing and broadcasting under private auspices, but under the general supervision of the United States Information Agency, radio programs to Latin America, Western Europe, as well as other areas of the free world, which programs shall be designed to cultivate friendships with the peoples of the countries of those areas, and to build improved international understanding."

Mr. CLEVENGER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CLEVENGER moves that the House recede from its disagreement to the amendment of the Senate numbered 49, and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "\$200,000."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

(Mr. CLEVENGER asked and was given permission to revise and extend his remarks at this point in the RECORD.)

[Mr. CLEVENGER addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. WAINWRIGHT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WAINWRIGHT. Mr. Speaker, the Secretary of State's Public Committee on Personnel, appointed in March of 1954, recommended measures for increasing the effectiveness of the Department's career personnel.

The keystone recommendation was to combine into one Foreign Service officer corps the personnel now engaged in foreign service work above the clerical level both at home and abroad but heretofore organized in 3 separate groups under 3 separate administrative systems, namely, the Civil Service, the Foreign Service officer corps, and the Foreign Service staff.

This proposed integration will provide the following highly desirable advantages for the efficiency of the State Department:

(a) Elimination of the compartments into which a group doing the same kind of work is now divided and the substitution of a single administrative and personnel system in place of separate systems having separate legislative bases and separate rules for recruitment, training, promotion, and retirement. This combination will eliminate various invidious disparities between the systems.

(b) Substantial increase in the flexibility of the Foreign Service. With all of the officers at home and abroad in a

single Foreign Service obliged to serve when required anywhere in the world, full use can be made wherever needed of all the various abilities and qualifications.

(c) Facilitation of periodic rotation of Foreign Service officers to service in the United States. At the present time only 119 out of 1,285 Foreign Service officers are on duty in the State Department in Washington. This means that Foreign Service officers seldom have home duty and become unfamiliar with trends and developments in the United States. After the integration program has been put into effect, there will be some 1,400 positions for Foreign Service officers in the State Department so that the normal career of a Foreign Service officer will consist of alternating tours of duty of 4 years in the United States and 6 years in the foreign field.

The integration program can be carried out under the provisions of section 517 of the Foreign Service Act of 1946 which provides for and encourages lateral entry into the Foreign Service officer corps of individuals who have served not less than 3 years in the State Department; that is, either as civil-service employees or Foreign Service staff employees. However, this legislative provision requires an individual who comes into the Foreign Service officer corps by lateral entry to start at the lowest pay of the Foreign Service officer class to which he is admitted. This causes unreasonable hardship in that such an individual may have to accept a reduction of pay which may amount to as much as nearly \$2,000.

The proposed amendment to the appropriations bill has only the purpose of eliminating this hardship which would naturally serve to discourage civil service or Foreign Service staff people from lateral entry into the Foreign Service officer corps which is greatly desired by the Secretary in order to carry out this highly important integration program.

The proposed amendment does not permit admittance to the Foreign Service officer corps of any people from outside the Government service. In fact, lateral entrants must, under the Foreign Service Act of 1946, have served at least 3 years in the State Department.

The reason why this action was sought in the form of an amendment to the appropriations bill rather than as an item of enabling legislation was that the public committee's report was only recently available to and approved by the Secretary.

The proposed amendment to the appropriations bill for the fiscal year 1955 was sought in the circumstances described above in order to take care of the situation during that fiscal year. The Secretary of State proposes to request the legislative committees to enact an appropriate amendment to the Foreign Service Act of 1946 to take care of this situation for fiscal years subsequent to 1955.

I feel that its being left out is unfortunate, but not irreparable. The Department, under the guidance of its









Public Law 480 - 83d Congress  
Chapter 469 - 2d Session  
S. 2475

AN ACT

To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954".

Agricultural  
Trade Develop-  
ment and Assist-  
ance Act of 1954.

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.

68 Stat. 454.  
68 Stat. 455.

TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

Sale of surplus  
commodities.  
Agreements.

(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities;

U. S. market-  
ings..

(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;

Private trade.

(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

New market  
areas, etc.

(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

Resale preven-  
tion, etc.

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.

Purchase op-  
portunity.

SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder

CCC surplus  
commodities.

Availability.

Funds for ex-  
port, etc.

Private ex-  
porters.

Post, p. 458.

Letters of com-  
mitment.

68 Stat. 455.

68 Stat. 456.

54 Stat. 1029.

31 USC 203;

41 USC 15.

Appropriation.  
CCC payments.

Limitation.

Use of foreign  
currencies.

66 Stat. 662.

31 USC 724.

at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities from stocks owned by the Corporation or pledged or mortgaged as security for price support loans or from stocks privately owned if the Corporation is not in a position to supply the commodity from its owned stocks: *Provided*, That to facilitate the use of private trade channels the Corporation, even though it is in a position to supply the commodity, may finance the sale and exportation of privately owned stocks if the Corporation's stocks are reduced through arrangements whereby the private exporter acquires the same commodity of comparable value or quantity from the Commodity Credit Corporation. In supplying commodities to private exporters under such arrangements Commodity Credit Corporation shall not be subject to the sales price restriction in section 407 of the Agricultural Act of 1949, as amended.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$700,000,000.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States

60 Stat. 596.

50 USC 98 note.



stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act; 50 USC 98b.

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations;

68 Stat. 456.

(f) To pay United States obligations abroad;

68 Stat. 457.

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)).

58 Stat. 782.

*Provided, however,* That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title:

*Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

Waiver.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106. As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

"Surplus agricultural commodity".

SEC. 107. As used in this Act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

"Friendly nation."

SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.

Report to Congress.

Termination.

SEC. 109. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

## TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

Emergency relief.

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

63 Stat. 457.  
68 Stat. 458.

SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided*, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

Limitation.

SEC. 203. Not more than \$300,000,000 (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

Termination.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

## TITLE III—GENERAL PROVISIONS

63 Stat. 1055.  
7 USC 1427.  
Sale of farm commodities.  
U. S. relief.

SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State."

64 Stat. 1109.  
42 USC 1855-  
1855g.

7 USC 1431.

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

Perishable commodities.  
Disposal.

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at



competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

68 Stat. 458.

68 Stat. 459.

Reprocessing,  
etc., charges.

SEC. 303. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barter or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barter or exchanges. Agencies of the United States Government procuring such materials, goods or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment

Barter authority.

62 Stat. 1071.

15 USC 714b.

of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

Independent  
trade, etc.

SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

Marking of  
packages.

Ante, p. 458.

SEC. 305. All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America.

Approved July 10, 1954.



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SENATE - July 10

16. INSECTS; PLANT DISEASES. Passed without amendment S. 3697, to authorize cooperation with Canada or Mexico for the control of incipient or emergency outbreaks of insect pests or plant diseases (pp. 9697-8).
17. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendments S. 620, to authorize long-term permits, leases, or easements on public lands, including national forests, to States and local political subdivisions (S. Rept. 1788) (p. 9683).
18. FOREIGN AID; SURPLUS COMMODITIES; EDUCATION. The "Daily Digest" states that the Foreign Relations Committee, continuing its executive consideration of H. R. 9678, the mutual security bill, announced that it had "reduced from \$500 million (House figure) to \$350 million minimum funds to be used for surplus agricultural commodities...; with regard to transferability of funds, agreed to limit reductions from any section of the bill to 10 percent of the total of that section...; and agreed to an amendment to make foreign currency available for International Educational Exchange activities." (p. D812.)
19. RECLAMATION. Passed as reported S. 964, to authorize the Fryingpan-Arkansas project, Colo. (pp. 9696-7).  
The Interior and Insular Affairs Committee reported with amendments H. R. 2235, to authorize the Santa Maria project, Calif. (S. Rept. 1789) (p. 9683)
20. WATER COMPACT. Passed without amendment S. 3699, consenting to a La.-Tex. compact relating to Sabine River waters (pp. 9709-12).
21. RECESSED until Mon., July 12 (p. 9730).

ITEMS IN APPENDIX

22. FLOOD CONTROL. Sen. Cooper inserted a Cincinnati Enquirer editorial discussing the regional problem of flood control on the Ohio River (pp. A4965-6).
23. TVA. Sen. Sparkman inserted a Washington Post editorial discussing protests which have arisen regarding the administration's power policies (p. A4966).
24. PRICE SUPPORTS. Speech of Rep. Dorn stating that it would be "most unfair" to the farmer not to support at least basic commodities and urging Congress to "accept a farm bill that will protect the interest of our entire Nation" (pp. A4966-7).
25. HEALTH. Rep. Heselton inserted Secretary Hobby's speech and several communications and press releases favoring H. R. 8356, which implements the President's recommendation of a program to improve the public health by encouraging more extensive use of the voluntary prepayment method of insurance (pp. A4974-5, A4976-8).
26. FOREIGN AID. Rep. Smith, Wis., inserted a Newsweek editorial, "Foreign Aid Forever?" criticizing continued "handouts" and favoring aid by loans rather than grants (pp. A4975-6).

BILL APPROVED BY THE PRESIDENT

27. SURPLUS COMMODITIES; FOREIGN TRADE. S. 2475, the "Agricultural Trade Development and Assistance Act of 1954." Approved July 10, 1954. (Public law number not yet available.) The Act provides as follows:



Title 1 authorizes the President, until June 30, 1957, to carry out a program for the sale for foreign currencies of surplus agricultural commodities under agreements with friendly nations or organizations of friendly countries. In negotiating the agreements, the President is required to take precautions to assure no undue disruption of the world prices, to assure use of private trade channels to the maximum extent practicable, and to assure no resale or transshipment of the commodities to other countries without approval of the President. Friendly nations are to be afforded maximum opportunities to purchase surplus commodities from the United States, and the program is to be utilized as to develop and expand continuous market demand abroad for agricultural commodities.

Surplus agricultural commodities acquired by the Commodity Credit Corporation in its price support operations are to be made available for sale under the Act, and the funds and other assets of the CCC are to be used to finance the sale and exportation not only of surplus commodities owned by it or under price support loan, but also, if the Corporation cannot supply the desired commodity from its own stocks, to finance the sale of privately owned stocks. The CCC may finance the sale and exportation of privately owned stocks even though the Corporation is in a position to supply the commodity itself, if the private exporter acquires from the CCC the same commodity of comparable value and quantity. The President may issue letters of commitment against funds or guarantees of funds supplied by the CCC, which letters shall constitute obligations of the United States.

The foreign currencies which accrue under the title may be used for (1) development of new markets for United States agricultural commodities; (2) purchase of strategic and critical materials, to establish a stockpile additional to and supplemental to the quantities acquired under the Strategic and Critical Materials Stockpile Act; (3) procurement of military equipment, and defense materials, facilities and services; (4) financing the purchase of goods or services for other friendly countries; (5) promotion of international economic development and trade; (6) payment of United States obligations abroad; (7) loans to promote multilateral trade and economic development; (8) financing international educational exchange activities.

Any department or agency of the Government using any of the currencies for any purpose for which funds have been appropriated must reimburse the CCC in an amount equivalent to the dollar value of the currencies used. To the extent the Corporation is not thus reimbursed by other agencies, an appropriation is authorized to make payment to the CCC for the Corporation's investment in the commodities used under the Act, including processing, packaging, transportation and handling costs, and for costs incurred in financing the exportation of commodities. Transactions cannot be carried out which require an appropriation in excess of \$700,000,000.

Title II directs the CCC to make available to the President surplus agricultural commodities for transfer to friendly nations and friendly populations in order to meet famine or other relief requirements. In addition, the President is authorized to make transfers on a grant basis to assist friendly countries or voluntary foreign relief agencies. No programs are to be undertaken after June 30, 1957, and total expenditures, including the Corporation's investment in the commodities and costs of delivery f.o.b. vessel, are not to exceed \$300,000,000.

Title III amends sections 407 and 416 of the Agricultural Act of 1949 and contains a provision for barter or exchange of CCC-owned commodities.

The CCC is authorized to make farm commodities or products owned or controlled by it, available in labor distress areas and in connection with any major disaster (as determined by the President), on terms and conditions determined by the Secretary. The Corporation is to be reimbursed for any costs



beyond the cost of the commodities and handling and transportation costs in making delivery at central locations in each state.

Section 416, as amended, authorizes the CCC to make commodities acquired through price support operations available to other Federal agencies to pay for commodities produced abroad and to barter such commodities as authorized by law. The CCC is also authorized to donate food commodities to the Bureau of Indian Affairs, school lunch programs, and to public and private agencies for the assistance of needy persons in the United States, and to public and private agencies for the assistance of needy persons outside the United States. The CCC is authorized to pay reprocessing, packaging, transporting, handling and other charges.

The Secretary is directed to dispose of agricultural commodities by barter or exchange for strategic materials, materials required in connection with foreign economic and military aid programs, and materials required for offshore construction programs, whenever such disposition will protect the funds and assets of the CCC. The Secretary is also directed to assist farmers' cooperatives in effecting exchange of agricultural commodities for strategic materials.

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105A.





JULY 10, 1954

JAMES C. HAGERTY, PRESS SECRETARY TO THE PRESIDENT

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THE WHITE HOUSE

Statement by the President

I am happy to sign today the Agricultural Trade and Development Act of 1954. It is an essential part of the comprehensive agricultural program which I recommended to the Congress on January 11, 1954. In the face of burdensome and growing stocks of agricultural products, the Administration urged the enactment of legislation providing for flexible price supports and other measures designed to check the accumulation of surpluses. We recommended that the burdensome stocks which had already accumulated be liquidated over a period of time, through disposal programs that would create new markets for United States products, and assist friendly countries.

The Agricultural Trade and Development Act is well designed for its purpose of "providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold". It will lay the basis for a permanent expansion of our exports of agricultural products, with lasting benefits to ourselves and peoples in other lands. The Act also provides authority to give surpluses to meet famine and other emergency requirements, thus enabling us to maintain our American tradition of generous help in time of need.

The Act wisely sets forth the intention of the Congress that it shall expand world trade on a sound basis, and not disrupt it. I am glad that this makes it possible for me to assure normal suppliers to commercial markets at home and abroad that the Act will be administered so that the United States will not be engaging in unfair competition or in other practices which would disturb world markets. Such disturbance to markets would not only cause serious harm to other countries but would harm us most of all, since we are the world's largest exporter. Thus, in following our own broad interests, we shall be reflecting our responsibilities as a member of the family of nations.

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September 9, 1954

James C. Hagerty, Press Secretary to the President

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THE WHITE HOUSE OFFICELOWRY AIR FORCE BASE  
DENVER

The President today issued an Executive order providing for the administration of the Agricultural Trade Development and Assistance Act of 1954.

Under that Act agricultural surplus commodities, aggregating \$700 million in value, may be sold abroad for local currencies over a period of three years, and such commodities, up to \$300 million in value, may be given to friendly peoples in the event of national disaster or famine.

Today's Executive order assigns to the Secretary of Agriculture primary responsibility for sales under the Act, including the development of overseas markets for agricultural commodities, and assigns primary responsibility for the grants for famine relief to the Director of the Foreign Operations Administration.

A number of other Federal agencies will participate in the administration of these activities. In order that their activities may be properly coordinated, the President has established an interagency advisory committee which will be headed by a representative of the White House Office.

The Executive order provides that the local currency proceeds of overseas sales of agricultural commodities under the Act shall be held in the custody of the Treasury Department and shall be released by the Director of the Bureau of the Budget for use in connection with the purposes authorized by the Act. Those purposes are (1) the development of new markets for United States agricultural commodities, (2) the acquisition of strategic and critical materials, (3) the procurement of military equipment, materials, and facilities, (4) the purchase of goods or services for other friendly countries, (5) the promotion of balanced economic development and trade among nations, (6) the payment of United States obligations abroad, (7) the promotion of multilateral trade and economic development, and (8) international educational exchange activities.

The Agricultural Trade Development and Assistance Act of 1954 provides a supplementary means of dealing with existing stocks of agricultural products with primary emphasis upon the objective of reducing surplus crops through overseas marketing. The statute provides that private trade channels shall be used to the maximum extent possible, that marketings under the Act shall not interfere with usual United States marketings or disrupt world prices, and that activities under the Act shall be carried on so as to further United States objectives abroad.

In his message to the Congress in January of this year on the subject of agriculture the President stated that our food stocks can be used for constructive purposes that will benefit the people of the United States and our friends abroad. With effective administration, mobilizing the total resources of Government and private channels, substantial strides will be made in achieving this goal.

The President, in connection with the Executive Order, issued an important policy statement concerning foreign trade as related to agriculture. The statement, representing the work of an interdepartmental committee under the chairmanship of Clarence Francis, Special Consultant to the President, was approved by the President today.

(more)



## TEXT OF POLICY STATEMENT:

The general foreign economic and trade policy set forth in the President's message to Congress of March 30, 1954, is applicable to and in the general interest of American agriculture. United States farm programs, both short-run and long-run, should be consistent with this policy.

United States agriculture, as well as other segments of the economy, stands to gain from such a sustained policy of expanding world trade, based upon the most productive use in each country of the available labor, natural resources and capital. Therefore, it is in the long-run interest of the American farmer, as well as all Americans, for this country to work with other nations in a mutual effort to expand international trade, and to promote the fuller convertibility of currencies, the freer movement of investment capital, and the interchange of technical and scientific information.

Today, the United States agricultural situation is complicated by two factors on the domestic front: (1) prices of many farm products are not competitive with world prices; and (2) production of certain farm products is badly out of balance with demand, thus creating rapidly mounting surplus stocks which overhang and tend to unsettle both domestic and foreign markets. Both of these factors promise to remain operative for some time. It therefore becomes necessary to reckon with them in any formulation of an agricultural foreign trade policy for the United States.

Consistent with the principles set forth in the President's message of March 30, 1954, it is essential that our agricultural foreign trade policy take into account the position of other countries and that our policy be understood by them.

Today, the magnitude of the United States holdings of many commodities is such as to be capable of demoralizing world commodity markets should a policy of reckless selling abroad be pursued. This potential greatly alarms other countries despite the fact that past behavior of the United States has shown no intention of pursuing a harmful policy.

At the same time, the United States cannot accept the role of limiting its sales in world markets until other countries have disposed of their production. The adjustment of world supply to world demand will require adjustments of production in other countries, as well as the United States.

The capacity of certain areas of the world to produce food and fiber in excess of current market takings presents a basis and a hope for improving living standards around the world -- provided ways can be found for improving marketing and distribution systems and enlarging the purchasing power of consumers. This represents a challenge to the nations of the world to develop sound means for utilizing their productive capacity in the improvement of living standards.

1. The world supply and demand situation in agricultural products requires in the interest of the general welfare, an orderly and gradual liquidation of our surpluses. Such a policy, arrived at with the full knowledge of friendly nations, would go far to eliminate fear arising from uncertainty.

2. The United States cannot be satisfied with the position of holding its own supplies off the market and accumulating surpluses while other countries dispose of their entire production. Accordingly, the United States will offer its products at competitive prices. At the same time, the United States will not use its agricultural surpluses to impair the traditional competitive position of friendly countries by disrupting world prices of agricultural commodities.

3. The United States will seek in cooperation with friendly countries to utilize its agricultural surpluses to increase consumption in those areas where there is demonstrable under-consumption and where practical opportunities for increased consumption exist or can be developed in a constructive manner. The United States will attempt to utilize such opportunities in a manner designed to stimulate economic development in friendly countries and to strengthen their security position.

(more)



4. The United States recognizes that the movement of goods in foreign trade is dependent upon the enterprise of private business -- foreign and domestic. In implementing these policies with respect to agricultural commodities, the United States Government will seek to assure conditions of commerce permitting the private trader to function effectively.

Text of letter the President today forwarded to Mr. Clarence Francis, Special Consultant to the President:

Dear Mr. Francis:

The Executive Order which I have issued today establishing administrative arrangements for the Agricultural Trade Development and Assistance Act of 1954 provides, as you know, for an Interagency Committee on Agricultural Surplus Disposal with a representative of the White House Office as Chairman.

I request you to assume responsibility for organizing this Committee and to serve as its Chairman. I shall look to you for advice concerning policy issues that may develop.

In connection with the work of your Committee I shall expect you to be guided by the policy statement concerning foreign trade as related to agriculture which I have approved and issued today. I regard this document as an important announcement of the philosophy of this Administration with respect to agricultural foreign economic policy. It should generate confidence both at home and abroad as to our purposes in this vital area of international economic relations.

With best wishes,

Sincerely,

DWIGHT D. EISENHOWER

The President today also sent identical letters to the following:

The Secretary of Agriculture  
The Director of the Foreign Operations Administration  
The Secretary of State  
The Secretary of Defense  
The Secretary of Commerce  
The Director of the Bureau of the Budget  
The Secretary of the Treasury  
Mr. Clarence Francis, Special Consultant to the President  
The Director of the Office of Defense Mobilization  
The Administrator of General Services  
The Chairman of the Board of Governors of the Federal Reserve System

(more)





Text of the letter follows:

My dear \_\_\_\_\_:

I have today issued an Executive order providing for the administration of the Agricultural Trade Development and Assistance Act of 1954. It is the purpose of this letter to further define relationships among the several agencies of the executive branch which will have key responsibilities in assuring successful administration of this program.

The act provides for the use of surplus commodities to further many of our existing domestic and foreign programs, and in some instances, it expands or liberalizes them. These programs are currently carried on by many agencies of the Government. Accordingly, it is desirable to place the administration of the new act in those agencies and to make it possible for them to make their proper contribution in connection with the disposition of agricultural surpluses.

The very fact that a number of agencies have a responsibility in one or another aspect of surplus disposition makes effective coordination absolutely essential. It is therefore directed that a committee, to be known as "The Interagency Committee on Agricultural Surplus Disposal," be established to assist the agencies concerned in bringing into harmonious action, consistent with the over-all policy objectives of this Government, the various agricultural surplus disposal activities vested in them by, or assigned to them pursuant to, the Act. The Committee should be composed of a representative of the White House Office, as Chairman, and one representative of each Government department and agency which is, consonant with law, designated by the Chairman to have representation on the committee. I shall look to the Chairman to advise me concerning policy issues which arise. I shall expect the Secretary of Agriculture to assure the effective coordination of day-to-day operations through appropriate interagency relationships.

The following arrangements are prescribed in order to facilitate the best administration of the Act:

1. Existing pertinent interagency coordination arrangements are to be followed.

2. This program must be carried out in accordance with and in furtherance of our foreign policy objectives. I wish to re-emphasize that the Secretary of State is the officer responsible for advising and assisting me in the formulation and control of foreign policy. I look to him as the channel of authority within the executive branch on foreign policy as I do to the Secretaries of Defense and Treasury in their respective fields.

3. The delegation to the State Department of responsibility for negotiations with foreign governments is intended to give recognition to State Department's central responsibility in this area. Other agencies directly concerned with the substance of the negotiation, however, must continue to carry substantial responsibility in such negotiations. Moreover, it is assumed that these other agencies will conduct day-to-day discussions with representatives of the foreign governments in implementing basic agreements reached with such governments. Such discussions, of course, must be in conformance with the foreign policy responsibilities of the State Department and the chiefs of our diplomatic missions.

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4. It is imperative that we continue to coordinate United States programs affecting other nations. For this reason, the accompanying Executive order makes this program subject to my previous instructions with respect to coordination of United States activities in foreign countries. Under those instructions, the chief of the diplomatic mission is the principal officer of the United States in each country and has full responsibility and authority for assuring effective action in that country.

5. In order to coordinate most effectively the various agricultural surplus disposal programs abroad, I shall expect the Secretary of Agriculture to utilize to the maximum extent practicable the facilities, services and experience of the Foreign Operations Administration.

6. I am requesting the Secretary of Commerce to provide the focal point in the Government for assisting private enterprise with respect to barter transactions referred to in the act. This arrangement would be one more step toward assuring the maximum utilization of private channels in the execution of this program.

7. It is contemplated that the Office of Defense Mobilization shall utilize the facilities and services of the General Services Administration for the purchase and handling of materials under section 104(b) of the act.

In January of this year, I stated in my message on Agriculture that surplus agricultural stocks can be used for constructive purposes that will benefit the people of the United States and our friends abroad. Enactment of this legislation is a major step forward in achieving that broad objective. With effective administration, mobilizing the total resources of Government and private channels of trade, we should make substantial strides towards achieving the above goals.

I have forwarded an identical letter to the other officers of the Government principally concerned with carrying out the Executive order.

Sincerely,

DWIGHT D. EISENHOWER

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SEPTEMBER 9, 1954

JAMES C. HAGERTY, PRESS SECRETARY TO THE PRESIDENT

THE WHITE HOUSE OFFICELOWRY AIR FORCE BASE  
DENVER

## EXECUTIVE ORDER

ADMINISTRATION OF THE AGRICULTURAL TRADE  
DEVELOPMENT AND ASSISTANCE ACT OF 1954

By virtue of the authority vested in me by section 301 of title 3 of the United States Code (65 Stat. 713) and as President of the United States, it is ordered as follows:

Section 1. Department of Agriculture. Except as otherwise provided in this order, the functions conferred upon the President by Title I of the Agricultural Trade Development and Assistance Act of 1954 are hereby delegated to the Secretary of Agriculture.

Section 2. Foreign Operations Administration. The functions conferred upon the President by Title II of the Act are hereby delegated to the Director of the Foreign Operations Administration.

Section 3. Department of State. (a) The functions of negotiating and entering into agreements with friendly nations or organizations of friendly nations conferred upon the President by the Act are hereby delegated to the Secretary of State.

(b) All functions under the Act, however vested, delegated, or assigned, shall be subject to the responsibilities of the Secretary of State with respect to the foreign policy of the United States as such policy relates to the said functions.

of August 1, 1953 (18 F.R. 4537, ff.), are hereby extended and made applicable to functions provided for in the Act and to United States agencies and personnel concerned with the administration abroad of the said functions.

Section 4. Foreign currencies. (a) There are hereby delegated to the Director of the Bureau of the Budget (1) so much of the functions conferred upon the President by the Act as consists of fixing from time to time the amounts of foreign currencies which accrue under Title I of the Act to be used for each of the several purposes described in paragraphs (a) to (h), inclusive, of section 104 of the Act, and (2) the function conferred upon the President by the last proviso in section 104 of the Act of waiving the applicability of section 1415 of the Supplemental Appropriation Act, 1953.

(b) The Secretary of the Treasury is hereby authorized to prescribe regulations governing the purchase, custody, deposit, transfer, and sale of foreign currencies received under the Act.

(c) The foregoing provisions of this section shall not limit section 3 of this order and the foregoing subsection (b) shall not limit subsection (a) above.

(d) Purposes described in the lettered paragraphs of section 104 of the Act shall be carried out, with foreign currencies made available pursuant to section 4(a) of this order, as follows:

(1) Those under section 104(a) of the Act by the Department of Agriculture.

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(2) Those under section 104(b) of the Act by the Office of Defense Mobilization. The function, conferred upon the President by that section, of determining from time to time materials to be purchased or contracted for for a supplemental stockpile is hereby delegated to the Director of the Office of Defense Mobilization.

(3) Those under section 104(c) of the Act by the Department of Defense.

(4) Those under sections 104(d), (e), and (g) of the Act by the Foreign Operations Administration. The function, conferred upon the President by section 104(g) of the Act, of determining the manner in which the loans provided for in the said section 104(g) shall be made, is hereby delegated to the Director of the Foreign Operations Administration.

(5) Those under section 104(f) of the Act by the respective agencies of the Government having authority to pay United States obligations abroad.

(6) Those under section 104(h) of the Act by the Department of State.

Section 5. Reports to Congress. The functions under section 108 of the Act, with respect to making reports to Congress, are reserved to the President.

Section 6. Definition. As used in this order the term "the Act" means the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, approved July 10, 1954, 68 Stat. 454) and includes, except as may be inappropriate, the provisions thereof amending other laws.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,

September 9, 1954.

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